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What's News

Business & Finance

Chinese companies with shares traded on U.S. stock exchanges would be forced to give up their listings unless they comply with U.S. audit requirements under a plan recommended by the Trump administration. **A1**

◆ **Trump issued** a pair of executive orders that would put new limits on Chinese apps TikTok and WeChat, effectively setting a 45-day deadline for an American firm to buy TikTok's U.S. operations. **A16**

◆ **Initial jobless claims fell** to their lowest level since the coronavirus hit the U.S. in March but remained at historically high levels. **A2**

◆ **Uber posted** another big loss with little sign of recovery in its core ride-hailing business amid the impact of the coronavirus pandemic. **B1**

◆ **Bausch plans** to spin off its faster-growing eye-care business from its core pharmaceutical operations. **B1**

◆ **NYSE owner ICE said** it would acquire mortgage-software firm Ellie Mae, a bet on the digitization of the U.S. mortgage industry. **B1**

◆ **Toyota bolstered** its sales projections and forecast a nearly $7 billion profit for the full year. **B3**

◆ **U.S. stocks rose**, with the Nasdaq, Dow and S&P 500 adding 1%, 0.7% and 0.6%, respectively. **B11**

◆ **Comcast's NBCUniversal** has reorganized its entertainment unit and shuffled its executive ranks. **B5**

◆ **The OCC fined** Capital One $80 million over a 2019 hack that was among the largest breaches of a big bank. **B10**

World-Wide

◆ **Rescue workers** in Beirut continued to search for survivors as scores of people remained unaccounted for following the massive explosion that killed at least 137 and injured thousands. **A1, A7**

◆ **Initial supplies** of any successful coronavirus vaccines are now expected to fall short of what is needed even for high-priority groups like health-care workers. **A1**

◆ **Talks between** White House officials and Democratic leaders on a new stimulus package didn't yield a breakthrough on Thursday, as a Friday deadline loomed. **A4**

◆ **New York's** attorney general is suing to dissolve the NRA, alleging that insiders violated nonprofit laws by illegally diverting tens of millions of dollars. **A3**

◆ **Trump placed** tariffs on some Canadian aluminum, a little over a month after implementing a deal designed to lower trade barriers across North America. **A3**

◆ **Pope Francis named** six women to a Vatican finance board, making them the most senior female officials ever to serve at the Vatican. **A7**

◆ **A former Saudi Arabian** intelligence official alleged in a lawsuit that the kingdom's crown prince dispatched a hit squad to Canada to assassinate him. **A8**

◆ **The State Department's** special envoy for Iran is stepping down from his post. **A8**

◆ **A Chinese court** imposed the death penalty on a Canadian citizen charged with producing illicit drugs. **A16**

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DALATI NOHRA/EPA/SHUTTERSTOCK

French President Emmanuel Macron, visiting areas hit by the blast and pledging international aid, was swarmed by crowds on Thursday, in a photo provided by a Lebanese government photographer, as people expressed anger at Beirut officials. A7

Desperation Grows in Beirut As Families Search for Missing

By Nazih Osseiran And Raja Abdulrahim

BEIRUT—Drenched with sweat under a scorching August sun, Mohamad Sheif paced back and forth on Thursday afternoon in front of the blast-damaged steel entry gate to the port of Beirut, desperate to get in and search the rubble for his missing cousin.

"I will go and dig with my bare hands to find him," said Mr. Sheif, 56 years old. But a squad of camouflage-clad soldiers blocked him—and others looking for lost loved ones—from joining the official rescuers combing the twisted wreckage inside. "No one is helping us," he said.

Two days after the massive explosion that tore through parts of central Beirut, scores of people remain unaccounted for, sending relatives on frantic searches of hospitals, morgues and the badly damaged apartment blocks near the waterfront.

At least 137 people have been confirmed dead and about 5,000 others were injured after fire ignited a cache of ammonium nitrate in a warehouse at the port. Among the missing: port workers, soldiers and firefighters who arrived to battle the blaze and were then engulfed by the ensuing explosion.

The disaster—and reports that the dangerous chemical had been kept at the port for years despite the risks—have fueled anger at the government and the rest of the tiny Mediterranean nation's political elite, already the target of protests over corruption and ineptitude.

Outside the port entrance on Thursday, family members gathered in a hopeful vigil. One woman held up a photo of her husband for news cameras. Her brother-in-law sat nearby in the shade, his eyes bloodshot and his blue shirt covered in a layer of brown dust.

Every now and then, an ambulance—siren blaring—would emerge from the dust around the port, carrying a wounded

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◆ Anger mounts as Lebanon seeks answers..... A7

U.S. Plan Threatens To Delist Chinese Firms

Proposal would bar those that don't have audits reviewed, in latest blow to Beijing

By Dave Michaels

WASHINGTON—Chinese companies with shares traded on U.S. stock exchanges would be forced to give up their listings unless they comply with U.S. audit requirements under a plan recommended Thursday by the Trump administration.

The proposal addresses a long-simmering dispute over U.S. regulators' inability to inspect the financial audits of Chinese companies that sell shares in U.S. markets. It follows bipartisan legislation that passed the Senate in May, which would give Chinese companies that don't comply three years to delist in the U.S. and find a new exchange.

Under the plan, Chinese firms that are already listed on the New York Stock Exchange and Nasdaq Stock Market would have to comply by 2022—or give up their listings on those exchanges.

To comply, Chinese auditors would have to share their work papers with the Public Company Accounting Oversight Board, a specialized audit regulator overseen by the U.S. government.

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Trump Order Hits TikTok

Move sets U.S. ban in 45 days on app and China's WeChat as security threat..... A16

Kodak's Wild Ride Dazes Day Traders

By Geoffrey Rogow And Michael Wursthorn

In the span of six trading days, Eastman Kodak Co.'s volatile stock made millions for some and destroyed the savings of others.

Kodak's stock price first rose Monday, July 27, and then surged from $2 to as high as $60 over the following two sessions on an intraday basis thanks to the preliminary disclosure of a possible $765 million government loan to make drug ingredients at its U.S. factories. The stock then fell precipitously.

Driving the sudden swings was a series of events: early rumors of the deal on social media, a White House news conference touting the possible loan, stock option grants given to a Kodak executive as well as several board members and confusion over whether the deal was final. Kodak is under investigation by the Securities and Exchange Commission as well as congressional committees.

A Kodak spokeswoman said the company wasn't aware of the SEC investigation but would cooperate. She said Kodak intends to cooperate with the congressional inquiry.

The volatility was the perfect environment for a wave of amateur investors who have become active day traders. These traders have plunged into Overstock.com Inc., Tesla Inc. and others on a belief the companies could weather the

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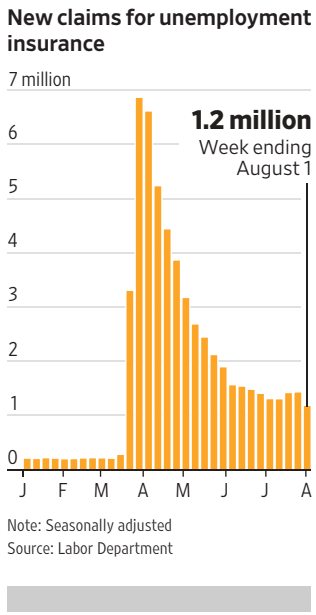
Jobless Claims Ease Off Highs

Initial unemployment claims fell to their lowest level since the virus hit the U.S. A2



Early Vaccine Supply Unlikely to Fill Need For High-Risk People

By Peter Loftus

Initial supplies of any successful coronavirus vaccines are now expected to fall short of what is needed even for high-priority groups like health-care workers, forcing drugmakers and U.S. officials to grapple with the question of who should be first in line.

Public-health officials estimate that more than 100 million people in the U.S., including doctors and nurses, other essential workers and nursing-home residents, should get vaccinated before the general public because they are at greater risk of exposure to the virus or of contracting more severe Covid-19 disease. They were widely expected to get the first supplies after a vaccine is cleared.

Yet initial supplies look like they will cover only a fraction of the high-priority groups, if a vaccine clears testing and is authorized in the fall.

There may be 10 million to 20 million doses available at first, according to a slide presentation prepared by the federal Centers for Disease Control and Prevention staff and shown to a committee of out-

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◆ Trump moves to lift U.S. output of medicine, gear.... A6
◆ Questions over testing cloud case-count picture..... A6

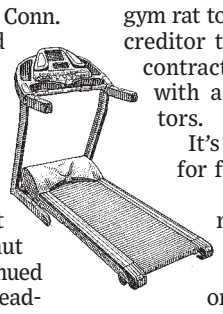
Getting Out of Gym Fees Can Be A Workout During Shutdowns

* * *

'Friends' couldn't quit their fitness clubs before; now they'd find it truly exhausting

By Sebastian Pellejero

Think it was hard to quit the gym before the pandemic? Try now, says Matty Conn.



Dues

The 22-year-old consultant loved the low cost and convenience of the many 24 Hour Fitness gyms she could visit in the San Francisco area. But when the state shut gyms, her dues continued to vanish with her treadmill miles. She wanted to quit, she said, but couldn't get a response from the company to her questions.

Then in June, 24 Hour Fitness Worldwide Inc. filed for bankruptcy protection, closing half its San Francisco locations. Now she has gone from gym rat to less-than-unsecured creditor trying to escape her contract with a company with a long line of creditors.

It's an exhausting time for fitness buffs.

The pandemic's fast-moving shutdowns and restrictions have wreaked havoc on fitness routines, life plans and gym finances. Quitting or recouping dues—already difficult enough to inspire a plot on the

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Covid Shatters Latin America's Middle-Class Dreams

It also faces the slowest rebound of any emerging-market region

By Ryan Dube and Juan Forero

LIMA, Peru—The pandemic has devastated hundreds of thousands of businesses across Latin America, setting back the clock on the social and economic gains made over the past two decades when a global commodities boom powered breakneck growth.

From 2003 to 2019, poverty fell from 45% to 30% regionwide, and poor Latin Americans by the millions, poised on the threshold of middle-class life, took their first airline flight, bought their own homes and paid university tuitions for their children.

Now Latin America's economy is expected to contract 9.4% this year, according to the International Monetary Fund, the worst downfall on record for a region that was already wrestling with political turmoil and social unrest before it became a hot spot for Covid-19.

Economists predict it will take until around 2023 for Latin America to return to pre-pandemic levels, the slowest rebound among the emerging-market regions. The International Monetary Fund forecasts developing economies will contract 3% this year, with a 4.7% fall in the Middle East and a 3.2% decline in sub-Saharan Africa. The U.S. economy is projected to contract 8%.

The virus has dealt a hammer blow to businesses ranging from department stores and construction companies to small, family-owned restaurants and the neighborhood shops that are the backbone of so many Latin American economies.

As a child in Peru 20 years ago, Jhon Castañeda filled potholes for spare change in an impoverished Lima neighborhood popu-

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U.S. NEWS

Jobless Claims Are Lowest Since March

Unemployment is still high across the country as Covid-19 remains widespread

By Eric Morath

Filings for jobless benefits fell to their lowest level since the coronavirus hit the U.S. in March—a sign layoffs eased somewhat in a still struggling labor market—but remained at historically high levels for the 20th straight week.

Initial unemployment claims fell by a seasonally adjusted 249,000 to 1.2 million for the week ended Aug. 1, the Labor Department said Thursday, well above the pre-pandemic record of 695,000 in 1982. The decline came as an extra $600 a week in pandemic-related unemployment benefits ended.

The number of people receiving benefits through regular state programs, which cover the majority of workers, also decreased, by 844,000 to 16.1 million for the week ended July 25. Those continuing claims, reported with a week lag, fell to the lowest level since April.

"It's promising that initial unemployment claims number ticked down, but we're certainly not out of the woods," said AnnElizabeth Konkel, an economist at job search site Indeed.com. "The magnitude of layoffs is so much higher than in the pre-Covid era."

The Labor Department separately will release its broadest picture of July employment on Friday in the monthly jobs report. Economists surveyed by The Wall Street Journal forecast the report to show 1.5 million jobs were added last month and the unemployment rate fell to 10.6% from 11.1% in June.

Those numbers, if they bear out in the report, would be a marked slowdown from the pace of gains from the prior two months. Overall employment would also remain well below pre-pandemic levels when the unemployment rate hovered around a 50 year low.

That report will be a snapshot of the labor market in mid-July, and it won't reflect last week's decline in unemployment applications.

Before last week, applications had plateaued in recent weeks, halting what had been a steady decline from a peak of 6.9 million in late March.

Analysts were split on the degree to which the end of enhanced unemployment benefits caused the decline in new applications. Lawmakers and the White House continue to negotiate benefit levels as part of a broader stimulus package.

"The elimination of those benefits—which has gotten widespread press coverage—may have discouraged some workers from filing," Nancy Vanden Houten, economist at Oxford Economics, wrote in a note to clients. "If that's the case, claims may increase when those benefits are renewed."

Others disagreed. "For those who are unemployed, they need every dollar possible...and claims numbers remain at extremely elevated levels," said Andrew Stettner, a senior fellow at the left-leaning Century Foundation who studies the unemployment system. He said last week's drop wasn't large enough to attribute it to the cutoff of the $600 weekly enhancement.

Without the $600 weekly boost, payments dropped to the level set by states, which averaged $332.11 a week, for the 12 months ended June 30, according to the Labor Department.

Other data also point to an easing of hiring. Payroll processor ADP said Wednesday private-sector payrolls grew by 167,000 last month. Employees reported for 1% more shifts in July from the month before, a slowdown from a 5.9% increase in June and an 8.7% gain in May, according to Kronos, a Massachusetts workforce management software company. The number of job postings remains well below last year, according to Indeed.com.

"The labor market is still underwater," said Monica Garcia-Perez, a labor economist at St. Cloud State University in Minnesota.

After employers shed 21 million jobs earlier this year, hiring surged in May and June, adding a combined 7.5 million jobs, according to the Labor Department. That was largely because workers temporarily laid off were recalled, she said.

Ms. Garcia-Perez said gains aren't likely to persist at that rate, and the future path of hiring will be closely tied to whether or not the virus is controlled and people have confidence to resume normal activities. "If we see a new wave of cases this fall and new restrictions, you'll see layoffs move back up," she said.

However, some businesses say the decreased unemployment benefits are spurring new job searches.

Patti Mellard, chief executive of Key Staffing in Topeka, Kan., said the employment firm has seen a rise in applicants in the past week since the $600-a-week federal benefit ended. The company is seeking to fill customer-service, accounting and warehouse jobs, she said, adding that some prospective workers are concerned about becoming ill with the virus or say they don't have available child care.

U.S. WATCH

WASHINGTON

U.S. Agents Sent to St. Louis, Memphis

The Justice Department is sending federal agents to St. Louis and Memphis, Tenn., in an expansion of a crime-fighting program that officials say focuses on aggressive federal gun prosecutions.

The agents will work alongside local police to solve shootings, arrest fugitives, thwart illegal gun sales, crack down on gangs and bring more cases in federal court, where prosecutors can seek longer sentences that can be served at out-of-state prisons.

The effort, called Operation Legend, resembles joint ventures between federal and local law enforcement under administrations of both parties since the 1990s, though this time it is on a bigger scale. Additional agents have already been deployed in Chicago, Kansas City, Mo., Albuquerque, N.M., Milwaukee, Detroit and Cleveland as part of the program.

Headed to St. Louis are 50 agents from the U.S. Bureau of Alcohol, Tobacco, Firearms and Explosives; the Federal Bureau of Investigation; and the Drug Enforcement Administration. City officials said St. Louis had 53 homicides last month alone.

While federal prosecutors often spend months building broader conspiracy cases involving multiple defendants before bringing charges against gang and drug suspects, they will now start prosecuting lower-level suspects sooner to get them off the street, said Jeff Jensen, U.S. attorney for the Eastern District of Missouri.

Sixteen federal agents will spend at least 90 days in Memphis, which has seen 159 killings this year as of July 21, up 50% from the same period last year.

—Sadie Gurman

MARTHA ASENCIO RHINE/TAMPA BAY TIMES/ZUMA PRESS

PLAYTIME: Two dolphins, one deaf, the other partially so, were taken in by the Clearwater Marine Aquarium in Florida and rehabilitated.

STATE DEPARTMENT

Advisory on Travel Abroad Is Rescinded

The State Department lifted a nearly five-month-old advisory warning Americans against international travel, citing overall improvements in the pandemic.

On March 19, as the novel coronavirus spread around the world, the State Department raised its travel advisory to Level 4: Do Not Travel for all international destinations, urging Americans abroad to return home immediately.

The State Department said Thursday it would return to its prior practice of issuing separate advisories for individual countries, given the variation in their health and security situations.

"We continue to recommend U.S. citizens exercise caution when traveling abroad due to the unpredictable nature of the pandemic," the State Department said.

Many countries remain off-limits to Americans. The European Union and Canada, for example, continue to block nonessential travel by Americans. The Trump administration continues to restrict entry into the U.S. by foreign nationals who have been in Europe, China and Brazil.

—Courtney McBride

MONTANA

Directive Permits All-Mail Voting in Fall

Montana will allow counties to hold all-mail voting in November to limit the spread of the coronavirus, according to an order Thursday from Gov. Steve Bullock.

The order was issued after the Montana Association of Clerks and Recorders and the Montana Association of Counties last month called on Mr. Bullock, a Democrat, to allow counties the option to conduct the general election vote by mail.

Republicans criticized Mr. Bullock's order, saying voters should have the right to go to polling places if that is how they want to cast ballots. "If Montanans are able to safely go to the grocery store, they should be able to safely go to their polling location to vote on Election Day," a Montana GOP spokesperson said.

The governor issued a similar order earlier this year that permitted the June 2 election to be held by mail to prevent the spread of the coronavirus. Following the move, the primary election saw record-high turnout.

"It only makes sense that we start preparing now to ensure that no Montanan will have to choose between their vote or their health," Mr. Bullock said after issuing the new order.

Mr. Bullock is prevented from seeking a third term because of term limits and is running for the U.S. Senate seat held by Republican Steve Daines.

—Associated Press

SOUTHWEST

Drought Conditions Seen in Two States

Large portions of New Mexico and much of neighboring Arizona face severe or extreme drought conditions.

The latest weekly Drought Monitor map released Thursday shows areas of extreme drought in northern New Mexico near the Colorado border and in New Mexico's southeastern corner while areas of severe drought are seen in other parts of those regions of the state as well as much of southern and south-central Arizona.

—Associated Press

GULF OF MEXICO

Family Clinging to Their Boat Rescued

Two children and their parents clung to their overturned boat in the Gulf of Mexico until the Coast Guard could rescue them Wednesday afternoon.

The family called in by radio on Wednesday morning to say their 20-foot-long boat was taking on water in the Gulf of Mexico off the coast of Venice, La., according to the Coast Guard.

Once an airplane crew located the boat 17 miles south of Southwest Pass, a helicopter was able to lower a rescue swimmer to help them until a Coast Guard boat could arrive.

—Associated Press

Foreigners Buy Fewest U.S. Homes in Years

By Nicole Friedman

Foreign purchases of U.S. homes dropped to the lowest level since 2013, a boost for domestic buyers at a time when inventory has been tight.

Foreigners bought $74 billion in U.S. residential real estate in the year ended in March, down 5% from the prior year and the third straight year of declines, according to a report released Thursday by the National Association of Realtors.

Chinese government control over foreign purchases, slowing global growth and a stronger dollar all contributed to the reduced foreign investment in U.S. housing, NAR said. The dollar reversed course this summer and recently hit a two-year low against a basket of other currencies, which could make U.S. homes less expensive to overseas buyers.

The report doesn't include the effect of the pandemic, which caused home sales to plummet this spring before recovering in June, NAR said. Brokers and economists say foreign purchases likely continued to fall this spring and summer due to limited travel, uncertainty about school reopenings and increased immigration restrictions.

Competition for U.S. homes is strong, as low mortgage rates have boosted demand and the supply of homes for sale has remained low. In the week ended July 25, the inventory of homes for sale was 26% below year-earlier levels, according to Zillow Group Inc.

"Foreigners stepping away is not hurting the domestic market currently," said Lawrence Yun, NAR's chief economist. "It helps the domestic buyers have a better chance."

Purchases by foreign buyers made up 3% of existing-home sales in the year ended in March. Foreign buyers tend to concentrate in high-end markets in coastal cities like New York, Miami and Los Angeles, and they can have an outsize effect on prices in those markets. The median purchase price for foreign buyers in the year ended in March was $314,600, NAR said, compared with $274,600 for all U.S. sales of previously owned homes.

Foreign residential real-estate purchases climbed steadily between 2011 and 2017, peaking at $153 billion in the year ended March 2017. About 60% of foreign buyers in the past year were recent immigrants or foreigners who live in the U.S., while others bought U.S. homes as investment properties or vacation homes, according to NAR.

The largest drop in the year ended in March was among buyers from China, who purchased just $11.5 billion worth of U.S. homes during that time period, a 14.7% decline.

The most popular destination for foreign buyers was Florida, followed by California and Texas.

In Austin, Texas, properties have been in high demand in recent years from India-based investors, who tend to pay all cash, said Jillian Rose of Kuper Sotheby's International Realty. During the pandemic, those investors have paused their buying due to travel restrictions and concerns about the virus, she said.

WILFREDO LEE/ASSOCIATED PRESS

The housing market in Florida, and Miami in particular, is a top draw for foreign purchasers.

CORRECTIONS & AMPLIFICATIONS

In some editions Thursday, a photo with a World News article about the presidential election in Belarus showed supporters of candidate Svetlana Tikhanovskaya at a rally. The caption incorrectly identified Ms. Tikhanovskaya as being one of those pictured.

A graphic showing retail market share for department stores with a Business & Finance article Wednesday about department stores incorrectly aligned the year labels, placing each label more to the left than it should have been. A correct version of the graphic is available at WSJ.com/Corrections.

About 1,500 employees usually work in a single building at **Canon** Inc.'s U.S. headquarters in Melville, N.Y. A July 25 Exchange article about the limits of working from home incorrectly said 11,000.

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U.S. Puts Tariffs on Canada Aluminum

By Josh Zumbrun

President Trump placed tariffs on some Canadian aluminum Thursday, a little over a month after implementing the new U.S.-Mexico-Canada Agreement designed to lower trade barriers across North America.

The White House said certain types of aluminum were surging into the U.S., depressing the U.S. industry. The administration justified the tariffs, which will be set at 10%, using a national security provision and argued that a depressed U.S. aluminum industry threatens national security.

"Earlier today I signed a proclamation that defends American industry by reimposing aluminum tariffs on Canada," President Trump said during a speech at a Whirlpool factory in Clyde, Ohio. "Canada was taking advantage of us, as usual.

"The aluminum business was being decimated by Canada, very unfair to our jobs and our great aluminum workers."

Canada's deputy prime minister, Chrystia Freeland, who was a key negotiator in the recent trade agreement, responded that the tariffs were "unwarranted and unacceptable."

Business groups oppose the move, faulting China for the industry's woes.

"In the time of a global pandemic and an economic crisis, the last thing Canadian and American workers need is new tariffs that will raise costs for manufacturers and consumers, impede the free flow of trade, and hurt provincial and state economies," Ms. Freeland said. She vowed that Canada would retaliate with proportional tariffs on U.S. exports to Canada.

Major business groups, including the Chamber of Commerce, the American Automotive Policy Council, which represents the big-three auto makers, and the Beer Institute, criticized the president's decision to reopen a trade fight with a close economic ally. They say the tariffs violate the spirit of the free-trade agreements. Because of their national security justification, however, such tariffs don't legally violate trade agreements.

"These tariffs will raise costs for American manufacturers, are opposed by most U.S. aluminum producers, and will draw retaliation against U.S. exports—just as they did before," said Myron Brilliant, executive vice president and head of international affairs at the U.S. Chamber of Commerce. "We urge the administration to reconsider this move."

Most of the aluminum industry opposes the tariffs on allies like Canada, and says that China is behind problematic trade practices in the aluminum industry. China has long been faulted for subsidizing its own aluminum makers, which drives down global aluminum prices.

Alcoa, the largest U.S. aluminum producer, which also operates smelters in Canada, said that "implementing these tariffs on a vital, free-trading partner will cause unnecessary disruption...tariffs don't address the issue of Chinese overcapacity, which is the fundamental issue challenging primary aluminum production."

Century Aluminum Co., a U.S. producer of aluminum that has become the leading aluminum advocate for tariffs in recent years, supported the administration's decision.

"President Trump's action demonstrates this administration's continued dedication to restoring the U.S. aluminum industry and American jobs," the company said.

The White House said the tariffs would apply only to a certain category of aluminum—non-alloyed unwrought aluminum, which refers to unfinished ingots and slabs of aluminum that are then heated and rolled into different products like sheet or shapes of aluminum.

More Farmers Are Facing Bankruptcy

By Jesse Newman

ACKERMAN + GRUBER FOR THE WALL STREET JOURNAL

Lynn Hicks milking cows on the family farm in Gilman, Wis., last month, opened a furniture-refinishing business to supplement income.

More U.S. farmers are filing for bankruptcy, as federal payments projected to reach record levels this year fall short of compensating for the coronavirus pandemic and a years-long slump in the agricultural economy.

About 580 farmers filed for chapter 12 bankruptcy protection in the 12-month period ended June 30, according to federal data. That was 8% more than a year earlier, though bankruptcies slowed slightly in the first half of 2020 partly because of an infusion of federal aid and hurdles to filing during the pandemic, according to agricultural economists and attorneys.

The pandemic has pressured prices for many commodities, squeezing farmers who raise crops and livestock, and prolonging a six-year downturn in the Farm Belt.

The Trump administration is expected to dole out a record $33 billion in payments to farmers this year, according to the University of Missouri's Food and Agricultural Policy Research Institute. The funds, including those intended to help farmers hurt by trade conflicts and the coronavirus, would push government payments to 36% of farm income, the highest share in nearly two decades, the institute said.

"Agricultural markets have been horrible, and the pandemic exacerbated it, big time," said Paul Swanson, an Oshkosh, Wis.-based attorney. He said he has 40 open farm-bankruptcy cases, about a third more than last year.

Mr. Swanson said some clients who received federal coronavirus aid still wound up in bankruptcy. "The cash came in, the cash came out," he said.

Before the pandemic, a global grain glut and foreign competition had pushed down agricultural prices. Trade disputes deepened the pain, drawing retaliatory tariffs from top buyers of U.S. farm commodities, such as China and Mexico.

Then the coronavirus hit, upending the U.S. food-supply chain. As restaurants closed, farmers plowed under thousands of acres of vegetables and dumped milk into manure lagoons. Corn prices plummeted as Americans stopped driving, cutting demand for ethanol, a corn-based biofuel blended into gasoline. Prices for slaughter-ready cattle and hogs dropped as meatpacking plants that became virus hot spots slowed or halted production.

Hog farmers have lost nearly $5 billion in actual and potential profits for 2020, according to the National Pork Producers Council, a trade group.

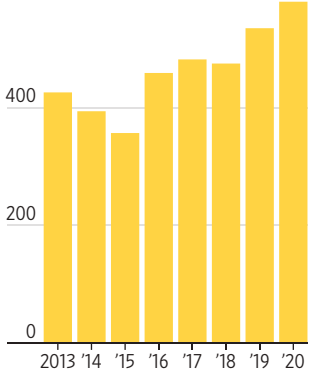
Wisconsin dairy farmer Art Steffen filed for bankruptcy in January, before Covid-19 arrived but after years of low milk prices and mishaps on his farm left him with $3 million in unpaid bills, including $400,000 for animal feed and $2,000 for cattle semen and other breeding supplies.

Mr. Steffen, who sells the milk from his 300 cows to a string-cheese plant, said filing for bankruptcy made him feel he had failed as a steward of the farm that has been in his family since the 1860s.

Mr. Steffen withdrew his bankruptcy filing in June to qualify for a forgivable loan under the federal government's Paycheck Protection Program. He received roughly $40,000, enough to pay his four employees for less than three months. He also received $97,000 from the administration's coronavirus-relief program.

Mr. Steffen spent those funds on animal feed and electricity. In July, he refiled his bankruptcy case. "The mission is to survive and pay people what you owe," Mr. Steffen said.

Farming bankruptcies



Note: For 12 months ending June 30.
Source: U.S. Courts

Chapter 12 bankruptcy, created during the 1980s farm crisis, allows distressed family farmers or fishermen to devise a plan to repay creditors over three to five years. Farms with debts that don't exceed $10 million may file for the protection.

Lynn Hicks, who milks 70 cows on a farm 200 miles northwest of Mr. Steffen's, said she hasn't secured government aid because she is also in bankruptcy. As funds dwindled, Ms. Hicks and her husband, Nick Hicks, appealed to suppliers to wait until they were paid for their milk to cash their checks. They became a grass-fed dairy to eliminate grain costs. Ms. Hicks opened a furniture-refinishing business to supplement the family's income.

"A lot of tears have been shed," she said.

Trouble for many farmers extends back to a commodity boom beginning in 2006 that encouraged them to borrow heavily, said Patrick Westhoff, director of the Food and Agricultural Policy Research Institute.

U.S. farm debt has grown steadily since then to more than $425 billion this year, the U.S. Department of Agriculture estimates. That is the largest sum since a farm crisis in the 1980s that pushed many farmers and lenders out of business.

"There are a lot of people that have been hanging on for a long time that needed a positive development, and this year hasn't provided that," Mr. Westhoff said. "It's been just the opposite."

Buoyed by $16 billion in direct payments to farmers to mitigate pandemic-related losses, farm income might tick down just 3% this year to $90.6 billion, the Food and Agricultural Policy Research Institute predicted in June. As of this week, less than $7 billion of the funds had been distributed, according to USDA.

Trade aid and coronavirus-relief payments are due to end this year. Economists say more farms could fold next year without additional support. Slow purchases from China and the pandemic's persistence continue to weigh on demand for agricultural products.

State Attorney General Sues to Dissolve NRA

By Mark Maremont

JUSTIN LANE/EPA/SHUTTERSTOCK

New York Attorney General Letitia James announced her lawsuit against the National Rifle Association at a press conference Thursday.

New York Attorney General Letitia James filed a lawsuit seeking to dissolve the National Rifle Association, alleging insiders violated the state's nonprofit laws by illegally diverting tens of millions of dollars from the group through excessive expenses and contracts that benefited relatives or close associates.

The extraordinary move against the nation's largest gun-rights group comes after an 18-month investigation by Ms. James. As a nonprofit registered in New York since its founding in 1871, the NRA is regulated by the attorney general's office.

The New York suit alleges that longtime CEO Wayne LaPierre and three other top officials "instituted a culture of self-dealing, mismanagement, and negligent oversight at the NRA," failed to properly manage the organization's money and violated numerous state and federal laws.

The NRA responded by filing a lawsuit in New York state court seeking an injunction against Ms. James, claiming she was targeting the organization for political reasons. "This was a baseless, premeditated attack on our organization and the Second Amendment freedoms it fights to defend," said NRA President Carolyn Meadows.

She called the New York lawsuit "a transparent attempt to score political points and attack the leading voice in opposition to the leftist agenda. This has been a power grab by a political opportunist—a desperate move that is part of a rank political vendetta."

Separately, Washington, D.C.'s attorney general on Thursday sued the NRA and the NRA Foundation, alleging the organizations misused Foundation funds for noncharitable purposes. The NRA Foundation, which is a related 501(c)3 charity, is regulated by that attorney general's office. The suit seeks return of NRA Foundation funds allegedly wasted on the NRA and a court order to ensure the foundation is operated independently.

Among the allegations in the New York attorney general's suit against the 70-year-old Mr. LaPierre, a national figure who has run the NRA for three decades: That he spent $3.6 million of NRA funds over the last two years on unwarranted travel consultants, flew family members on NRA-paid private jets when he wasn't aboard and secured a $17 million post-employment contract for himself without board approval.

Since 2015, he also allegedly took eight trips to the Bahamas by private air charter, often picking up his niece and her family in Nebraska along the way, according to the complaint. The trips cost the NRA more than $500,000, the complaint says.

During trips to the Bahamas, Mr. LaPierre's hotel expenses were picked up by the principal behind several large NRA vendors, who also gave Mr. LaPierre use of a 108-foot yacht, the complaint alleges. Mr. LaPierre testified that family members sometimes stayed on the yacht with him, according to the complaint.

Ms. James at a news conference Thursday rejected claims that the lawsuit was politically motivated, saying "we follow the facts and the law," and that the NRA was serving as a "personal piggy bank" for the four individual defendants. "The corruption was so broad," she said, that she had no choice but to seek to dissolve the organization to protect its members and donors.

The lawsuit is a civil complaint filed in New York state court, but at the press conference Ms. James said her investigation was ongoing. She said she would refer the matter to the Internal Revenue Service and didn't rule out a criminal referral to the Manhattan district attorney if the probe warrants it.

The NRA has defended its governance practices in previous interviews with The Wall Street Journal. NRA attorney William A. Brewer III, at the time the attorney general's investigation became public in April 2019, said the group "has full confidence in its accounting practices and commitment to good governance."

In the lawsuit, the attorney general's office is seeking restitution from the individual defendants, removal of Mr. LaPierre and the group's general counsel from their positions, and to have the defendants barred from ever serving again as directors of a New York-registered charity.

Mr. LaPierre called the attorney-general complaint "an affront to democracy and freedom" and said the NRA was "well governed, financially solvent, and committed to good governance. We're ready for the fight. Bring it on."

As a nonprofit, the NRA is required to use its money in a way that serves its members' interest and advances its social-welfare mission.

It is rare for a New York attorney general to attempt to dissolve a major charity. The office has closed down a half-dozen smaller charities in recent years, including the Trump Foundation, which dissolved after settling with Ms. James over misspending allegations. President Trump acknowledged some of the allegations but called the case "politically motivated harassment."

Experts Predict More-Active Atlantic Hurricane Season

By Erin Ailworth

With a record fast start to the Atlantic hurricane season, federal forecasters are now predicting that 2020 could have as many as 25 named tropical storms and hurricanes—a number that would put it just shy of the 28 named storms seen during the historically high 2005 season.

There have already been a record nine named storms this season. In an average year, there might be two named storms by early August, with the ninth not forming until sometime in early October.

"This season could be one of the more active in the historical record," said Gerry Bell, lead hurricane season forecaster at the National Oceanic and Atmospheric Administration, which put out an updated outlook Thursday.

The agency is now predicting as many as 25 named storms—the most it has ever forecast for a hurricane season, which runs from June 1 to Nov. 30. Forecasters predicted a maximum of 21 hurricanes in 2005.

Since 2010, the number of named storms and hurricanes in a season has fallen within NOAA's forecasted range six times.

Forecasters initially predicted as many as 19 storms this season, but revised that outlook upward amid atmospheric conditions that forecasters say have become even more favorable to storm formation and intensification. Those conditions include warmer than average sea surface temperatures in the tropical Atlantic Ocean and Caribbean Sea, weaker Atlantic trade winds, and wind patterns off Africa that more easily spin off storms.

"These conditions are all typical evidence of an above normal and extremely active season," Dr. Bell said.

Forecasters are now expecting as many as 11 named storms to become hurricanes this season, and three to six to become major hurricanes rated Category 3 or higher.

An average hurricane season typically has about a dozen named storms, roughly half of which become hurricanes.

Stimulus Deadline Nears Without a Deal

By Kristina Peterson And Siobhan Hughes

TING SHEN/EUROPRESS PHOTO AGENCY/SHUTTERSTOCK

Senate Minority Leader Chuck Schumer (D., N.Y.) and House Speaker Nancy Pelosi (D., Calif.) speaking to reporters about coronavirus stimulus legislation on Thursday.

WASHINGTON—Talks between White House officials and Democratic leaders on a new coronavirus-aid package ended late Thursday without a breakthrough as both sides edged closer to the Trump administration's Friday deadline for reaching a deal or leaving the bargaining table.

In postmeeting remarks to reporters, the two sides blamed each other, with White House officials saying that Democrats were unwilling to compromise and Democrats countering that the White House had refused to recognize the severity of the country's economic and health crisis. Both accused each other of not moving enough in bridging the $1 trillion proposed by Senate Republicans and the $3.5 trillion backed by Democrats.

"We're still a considerable amount apart in terms of a compromise that could be signed into law," White House chief of staff Mark Meadows said after leaving a meeting with Democratic leaders. "The differences are still significant."

"We're very far apart," said House Speaker Nancy Pelosi (D., Calif.). Senate Minority Leader Chuck Schumer (D., N.Y.) said that "they were unwilling to meet in the middle. They said it mostly had to be their way."

Mr. Meadows said the priority remains reaching a broad deal, but President Trump has also authorized seeking a narrower deal, an approach Democrats have rejected. He and Treasury Secretary Steven Mnuchin said they planned to brief Mr. Trump late Thursday on the state of talks.

Mr. Mnuchin cited large differences over the Democrats' push to appropriate $1 trillion for state and local governments, part of their measure that passed the House in May. "The president is not going to do a deal that has a massive amount of money to bail out state and local," he said.

Mr. Trump has said he is considering circumventing Congress and using executive actions to provide jobless aid, suspend the payroll tax, impose a partial moratorium on evictions and assist with student-loan payments. The White House hasn't disclosed details of how such actions would be put into place. Democrats have suggested that the White House is bluffing, saying it only has powers to limit evictions and would face legal and logistical hurdles in pursuing other actions.

"I don't think they know what they are talking about," Mrs. Pelosi told reporters. "The one thing the president can do is to extend the moratorium and that would be a good thing, if there is money to go with it," she said, referring to Democrats' calls to provide assistance to landlords to cover missed rent.

The relief bill passed in March banned landlords from evicting people in rental properties that receive federal assistance or federally connected financing. That moratorium ended in late July.

In March, the administration suspended foreclosures and evictions of homeowners with mortgages insured by the Federal Housing Administration, a move that applied to more than eight million homes. The Federal Housing Finance Agency also directed mortgage giants Fannie Mae and Freddie Mac to stop foreclosures and evictions of homeowners.

On jobless aid, which provided $600 a week until it expired last week, the White House is considering using unspent money from the earlier Cares Act legislation to help states restore benefits, said people familiar with the matter.

White House spokesman Judd Deere said a legislative solution was the goal, but Mr. Trump was "fully prepared to use his executive authority to help those who continue to be impacted."

The president said Thursday that he could sign executive orders as soon as Friday or Saturday if the negotiations don't show signs of progress.

The prospect of Mr. Trump taking action put new pressure Thursday on Democratic leaders and White House officials trying to hash out a deal. Senate Majority Leader Mitch McConnell (R., Ky.) said he was delaying the start of the Senate's summer recess, set to begin after the close of business Thursday, but it was unclear when lawmakers would be called back for votes.

Sen. Mitt Romney (R., Utah) said Senate Republicans were dispersing but would be updated in daily 5 p.m. conference calls with GOP leaders and White House officials.

Mr. McConnell and Mr. Trump met Thursday to discuss the state of the negotiations, a White House official said.

The quartet met again Thursday evening.

Democrats said Thursday that the slow pace of progress in the talks stems from a central clash over how much assistance the federal government should provide.

Democrats say the president has only limited authority to act unilaterally.

"We Democrats believe the patient needs a major operation, while Republicans want to apply a Band-Aid and we won't let them just pass the Band-Aid, go home and still leave America bleeding," Mr. Schumer said on the Senate floor.

Mr. McConnell said Democrats had been refusing to compromise in the talks. He agreed with Mr. Schumer that the talks had stalled because of an overarching disagreement over how much aid was warranted.

"The argument is over how much is appropriate at this particular juncture as we struggle to get the economy back on its feet and get the country in a place where it can sustain itself until we get a vaccine," Mr. McConnell said.

The hardening stances prompted some pessimism on Capitol Hill about negotiators' prospects of reaching a deal.

"We're at an impasse right now," Senate Appropriations Committee Chairman Richard Shelby (R., Ala.) told reporters. "At the moment, it doesn't look promising."

Some Republicans also expressed skepticism about Mr. Trump's plans to employ executive orders as a fallback.

Congress has already authorized about $3 trillion in new spending since March to help mitigate the impact of coronavirus shutdowns, including stimulus checks and jobless payments to American households and emergency loans and grants to struggling businesses and state and local governments.

Republicans had entered negotiations with a $1 trillion plan, though the proposal faces opposition within the Senate GOP, due to growing concerns about heavy new deficit spending. Democrats say Republicans are taking too narrow an approach, omitting such items as additional funding for states and local governments.

The two sides have remained far apart on how much to spend in federal jobless assistance. Studies have found many workers were taking in more in jobless aid than their prior pay, but economists say they haven't seen evidence the assistance was affecting the rate at which people are returning to work.

—Andrew Restuccia contributed to this article.

Kodak Volatility Is a Lesson

Continued from Page One

coronavirus pandemic better than competitors or more concretely profit from it.

Kodak is the most striking example yet of this trend. Its sudden rise and plummet offer a warning for investors who ignore company fundamentals and focus instead on a potential pandemic connection.

"When investors see something related to Covid-19, they act like sharks going into a frenzy," said James Angel, a Georgetown University finance professor, on small investors.

"Investors should always be mindful of fads," Mr. Angel added. "Fads lead to crowded trades, and crowded trades end badly. People who chase fads get left holding the bag."

Kodak's wild ride started after local news reports and tweets sent shares of the company up 25%.

For Jason Bulinski, chief investment officer and portfolio manager at First Midwest Bank, the big rise was an immediate moneymaker. He had picked up some 162,000 shares in May.

Shares of Kodak tripled in the premarket session on Tuesday, July 28. "Should be a good day," Mr. Bulinski said in a morning email to his team about Kodak's stock.

He had already more than doubled his original investment, but he still wanted to wait to sell. Mr. Bulinski said he expected a surge as individual investors jumped into the stock.

Mr. Bulinski was right. During that session, Kodak stock surged to $7.94 a share from $2.62 the previous day.

That evening, Alex Olsen, an airline industry worker, was watching the news when President Trump said his administration was lending Kodak $765 million to support the launch of Kodak Pharmaceuticals. The way the 44-year-old Florida resident saw it, this was the perfect time to buy Kodak.

"This is why you invest," Mr. Olsen said. "I have the option of helping a company save us and make some equity."

The next morning, when Mr. Olsen got in, the stock was skyrocketing again. For the day, he bought 2,710 shares at an average of $35 a share. Mr. Olsen was in for about $95,000. And he wasn't alone.

More than 100,000 users of the popular trading app Robinhood jumped in that day, helping to push Kodak's stock price higher, according to the data-mining website Robintrack.

For some professional traders, this run higher was a sign to get out.

"Run, don't walk. KODK up 550%! Sell all," Mr. Bulinski said to several co-workers in an email that morning, referring to Kodak's ticker symbol. Mr. Bulinski said he booked a 19-fold return for clients, selling all of his shares at an average of $48 apiece—for about $7.8 million.

As the week wore on, the stock took a precipitous drop as the details of the preliminary agreement were shared. Some investors said it was Wednesday evening when they first realized that the agreement was far from a done deal. The loan had to be secured by Kodak's assets and included performance contracts. Moreover, the agreement was still going through due diligence.

The stock surge faded Thursday, and a selloff took over Thursday and Friday as the company's share price fell all the way back down below $22.

By Friday afternoon, Mr. Olsen decided he wanted nothing to do with Kodak. He felt duped and angry. Mr. Olsen had only started trading this year, using a TD Ameritrade brokerage account. He was down almost $30,000 when he sold out.

"I guess what I learned is trading is just gambling," Mr. Olsen said. "That's a fact."

On Monday of this week, Kodak shares declined as one of the company's largest shareholders converted bonds to stock. In a conversion, currently issued shares are diluted.

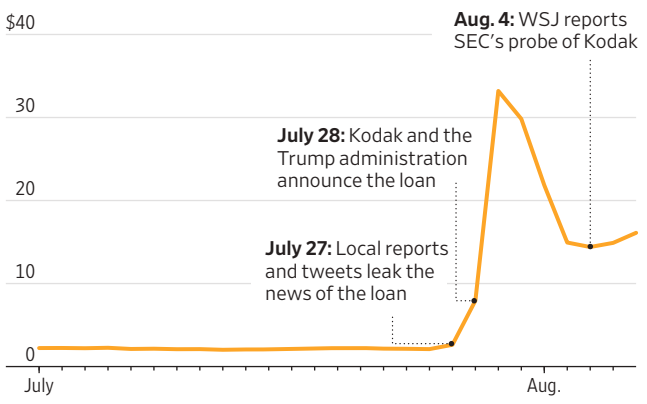
In the wake of the wild trading, the SEC opened an investigation looking at the company's disclosure of the preliminary agreement and the timing of options grants to Executive Chairman Jim Continenza.

So far, no senior executives at Kodak have sold any shares. But some people close to the firm moved theirs during the rally. A board member, George Karfunkel, donated three million shares of his stake to a religious institution July 29, according to a securities filing. The Kodak spokeswoman declined to comment on the stock transactions.

Moses Marx, a major Eastman Kodak shareholder as well as a business partner and father-in-law of a board member, Philippe Katz, sold blocks of shares last week. The trades netted Mr. Marx a gross profit of $9 million, according to a securities disclosure. Attempts to reach Mr. Marx were unsuccessful.

Shares of Kodak surged and then plummeted after the company agreed to a potential $765 million loan from the government.

Kodak's daily share price



Source: FactSet

Chinese Listings Targeted

Continued from Page One

Chinese firms that aren't yet public—but which plan to do an initial public offering in the U.S.—would have to comply before they can go public on NYSE or Nasdaq, and wouldn't get until 2022 to follow the rules, according to senior Treasury Department and Securities and Exchange Commission officials.

The move came as part of a recommendation by the President's Working Group on Financial Markets intended to protect U.S. investors from what the administration has described as risks posed by Chinese companies.

"The recommendations outlined in the report will increase investor protection and level the playing field for all companies listed on U.S. exchanges," Treasury Secretary Steven Mnuchin, who heads the group, said.

The Chinese embassy in Washington didn't respond to a request seeking comment.

It is the latest step in the administration's policy of getting tough with China, which started with the imposition of tariffs early in President Trump's term. In a separate action Thursday, the administration reimposed tariffs on some imports of Canadian aluminum.

The administration has stepped up actions against China recently, seeing them as popular with voters as the election approaches. The measures include sanctions over Beijing's new national security law in Hong Kong and its treatment of Uighurs, as well as criticism by Mr. Trump of China's handling of the coronavirus pandemic.

The stock proposal follows a number of steps by the administration to put pressure on Beijing. Last week, regulators told the Chinese owner of TikTok, a popular video app, that its ownership poses a national-security threat, exacerbating the tense relationship between the world's two largest economies.

U.S. officials said they are concerned that TikTok, owned by Beijing-based ByteDance Ltd., could pass to China's authoritarian government any data it collects from U.S. citizens' streaming videos. TikTok has said it would never do so. TikTok is in talks to sell its U.S. operations to Microsoft Corp.

The U.S. ordered China last month to shut its consulate in Houston, with officials accusing it and other Chinese diplomatic missions of economic espionage and visa fraud. China retaliated by ordering the closure of the U.S. consulate in Chengdu.

The plan announced Thursday is similar to legislation that passed the Senate in May and was sponsored by Sens. John Kennedy (R., La.) and Chris Van Hollen (D., Md.). Similar legislation has passed the House as an amendment to a defense-spending bill, said Rep. Brad Sherman (D., Calif.), who added on Thursday: "This is not an anti-China provision. This is an investor-protection provision."

The administration's plan would require rule-making by the SEC, which oversees the audits of companies whose shares are traded in the U.S.

The Senate bill, which was passed unanimously, addresses investor-protection concerns that have lingered for years but which gained political traction as tension between the U.S. and China grew. Chinese companies such as Alibaba Group Holding Ltd. and Baidu Inc. have together raised tens of billions of dollars by tapping into U.S. capital markets.

Some accounting frauds involving Chinese companies have exposed the gap in U.S. audit oversight. Luckin Coffee Inc., an upstart rival to Starbucks Corp. in China, is the latest example. Luckin said employees fabricated more than $300 million in sales, only 11 months after its initial public offering on Nasdaq. The firm has since been delisted.

It isn't clear how the Chinese companies and auditors would be able to comply with the U.S. demand.

China has implemented a law that prevents its citizens and companies from complying with overseas securities regulators without the permission of its own market supervisor and various components of the Chinese government.

One way around that hurdle, under the U.S. plan, would effectively involve a Chinese company getting a second audit from an accounting firm whose records can be inspected by the accounting oversight board. Under such an approach, a U.S. accounting firm could conduct a "co-audit" of a Chinese company's financial statements alongside the audit performed by its Chinese affiliate.

A NYSE spokesman said its listing standards "have long represented the industry's gold standard because they balance investor protections with providing the broadest possible range of public-market investments and any new regulations should aim to maintain that balance." A Nasdaq spokesman declined to comment.

—Katy Ferek Stech contributed to this article.

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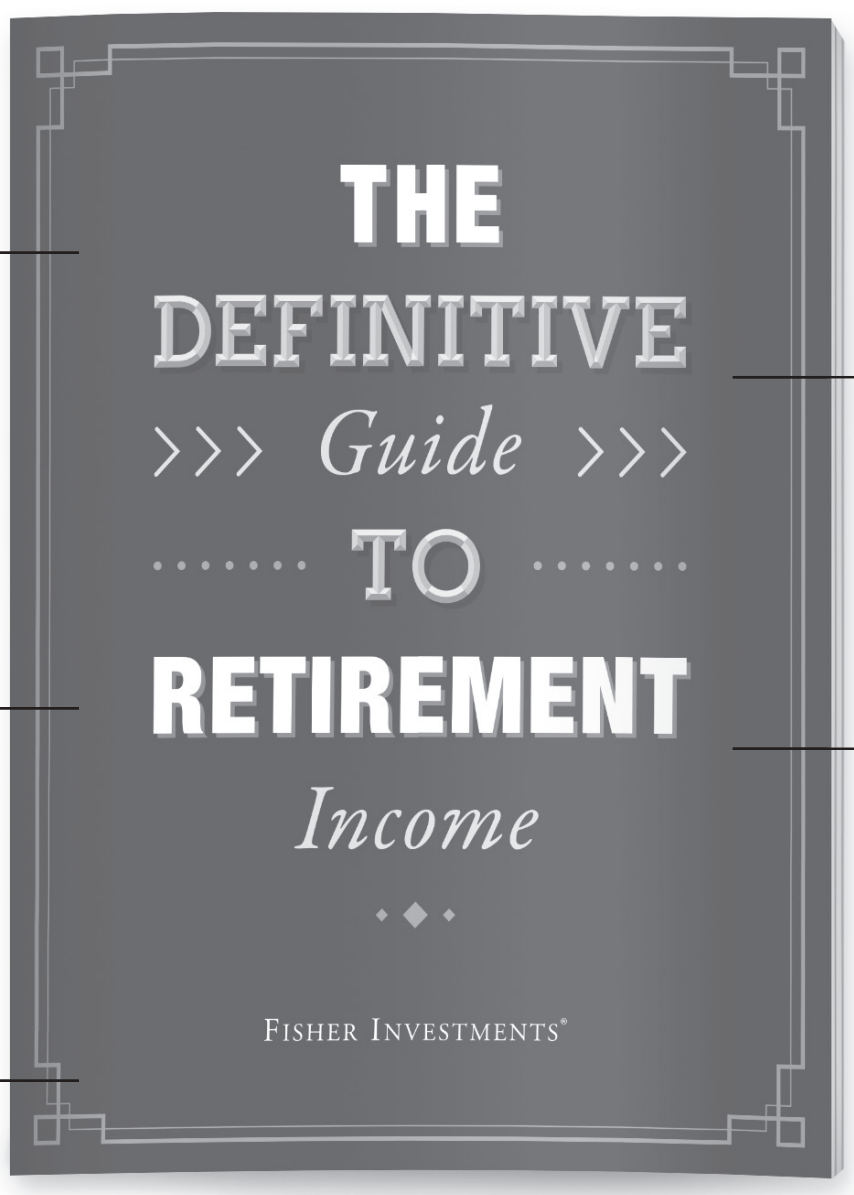

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MIKE BLAKE/REUTERS

Health-care workers at Fountain Valley Regional Hospital & Medical Center in California called for safer working conditions Thursday.

Questions Over Testing Cloud Improving Case-Count Picture

By Allison Prang And Jennifer Calfas

The number of newly reported coronavirus cases across the country remained short of highs seen in late July, but a drop in testing in some states could be masking the extent of the virus's spread.

Across the U.S., new cases topped 52,000 Wednesday, bringing the total to more than 4.8 million, according to data compiled by Johns Hopkins University. That represents an increase from earlier in the week, when the number was closer to 45,000, but lower than a week earlier when more than 68,000 cases were reported. The national death toll from the pandemic surpassed 160,000 Thursday night.

Seven states saw the seven-day average of new confirmed cases rising faster than the two-week average as of Aug. 5, according to a Wall Street Journal analysis of Johns Hopkins data. That held true in 38 states a month earlier, so the data reflect declines in reported new cases in a swath of the country.

It is the first time since March that fewer than 10 states had a seven-day moving average that was higher than the 14-day average. Comparing the one- and two-week averages of new cases helps smooth out anomalies in the data, such as lags in reporting.

However, the recent drop in the number of reported cases could be tied in part to a decline in testing. In 30 states, the seven-day average number of tests per 1,000 people was down from a week earlier, according to data from Johns Hopkins. For six states—Florida, North Carolina, South Carolina, Texas, Utah and Washington—testing has been trending down for at least two weeks, according to the data. In 13 states, testing was flat.

Testing and contact tracing are seen as essential to containing the virus. But demand has outstripped supply. Some health authorities in the U.S. started narrowing recommendations for who should undergo coronavirus testing because of lean testing supplies and delays in getting results.

CVS Health Corp., the biggest retail chain conducting Covid-19 tests in the U.S., said Wednesday it had temporarily reduced the amount of new tests it administered while adding additional labs to process backlogged results.

In California, which has struggled to contain a resurgence of the virus, the health department said issues with the electronic laboratory reporting system may have led to an underreporting of cases.

Lean supplies and delayed results have prompted a pullback in proposed testing.

In Ohio, Gov. Mike DeWine's office said Thursday night that he tested negative for Covid-19, following an announcement earlier in the day that the Republican governor had tested positive ahead of a scheduled meeting with President Trump in Cleveland.

During a second round of testing Thursday afternoon, a more sensitive test that looks for the genetic material of the virus that causes Covid-19 was administered to Mr. DeWine, his wife, Fran DeWine, and staff members. All tested negative, and the tests were run twice, the governor's office said.

In March, Mr. DeWine was among the first governors to take steps to slow the spread of the coronavirus.

The majority of Americans believe rules meant to slow the spread of the coronavirus were lifted too soon, according to a new poll from the Pew Research Center that surveyed 11,001 adults in July and August as coronavirus infections increased in dozens of states.

Sixty-nine percent said "their greater concern" was with restrictions easing in states "too quickly," compared with 30% who said these rules were loosened too slowly.

Trump Moves to Lift U.S. Output Of Medicine, Gear

By Rachael Levy And Jared S. Hopkins

WASHINGTON—President Trump signed an executive order to help increase production of essential medicines, medical equipment and protective gear in the U.S., his trade adviser Peter Navarro said.

"We will bring our pharmaceutical and medical supply chains home—we're going to bring them home where they belong—and we will end reliance on China," Mr. Trump said during a visit to the Whirlpool Corp. manufacturing plant in Ohio, a key presidential election battleground state.

The order includes a "buy American" requirement for government agencies such as the Department of Health and Human Services, Department of Veterans Affairs and the Defense Department, Mr. Navarro said. He also said the requirement would help establish demand for investment in the manufacturing process.

"If we've learned anything from the China virus pandemic...we are dangerously overdependent on foreign nations," Mr. Navarro told reporters on a conference call Thursday morning, referring to the coronavirus pandemic.

China is believed to be the world's biggest supplier of the raw materials—known as active pharmaceutical ingredients—that form the basis of medicines. That dependence on China makes shortages more likely should Chinese manufacturing be shaken, according to a 2019 U.S. government report.

A U.S. manufacturing revival of drugs cannot happen overnight, experts say. Building new facilities takes years of planning, billions of investment, regulatory approvals, and they still face higher labor costs than other countries.

Still, government intervention may entice companies.

"If there's preferential treatment given to products manufactured in the U.S., then of course we will move more of our manufacturing to the U.S.," Kare Schultz, chief executive of **Teva Pharmaceutical Industries** Ltd., which closed about two dozen plants in recent years as part of a restructuring, said in an interview earlier this year.

The order is the latest in a series of moves by the Trump administration aimed at boosting domestic production of medicines and medical equipment to ease the country's reliance on foreign supply chains dominated by China.

The announcement comes as the U.S. continues to face a shortage of key protective gear months into the pandemic.

For example, health-care workers have been reusing N95 face masks, which block 95% of very small particles, for multiple shifts and sending them through decontamination systems, even as safety concerns have been raised.

Major domestic manufacturers of N95 masks have been building capacity, expecting an increase in demand to continue in the years ahead. The executive order would be welcomed by companies that have invested to expand U.S. output while much remains uncertain about the future of the pandemic and mask usage.

HHS placed an order for 600 million masks in March with companies such as 3M Co., Honeywell International Inc. and Moldex-Metric Inc., which said they would increase their domestic production capabilities.

The executive order also comes amid concerns about the quality of products imported during the pandemic. A majority of foreign masks tested by a U.S. agency have failed to meet filtration standards. More than 3,500 Chinese companies have registered with the FDA to sell their masks to the U.S., according to a Wall Street Journal analysis.

Clinical Trials Need Minorities, but Recruitment Is Struggle

By Jared S. Hopkins

Researchers and companies developing Covid-19 vaccines are taking new steps to tackle a longtime challenge: Those who need the vaccines most urgently, including Black and Latino people, are least likely to participate in clinical trials to determine whether they work safely.

Racial and ethnic minority groups are more likely to be hospitalized and die from the new coronavirus, partly due to socioeconomic factors and underlying health conditions, data show. But clinical trials to evaluate drugs and vaccines historically underrepresent minorities, and researchers are concerned enrollment now under way to test Covid-19 vaccines will be no different.

While thousands of Americans have shown interest in testing vaccines, they are mostly young, white and healthy, according to researchers. Public-health officials say vaccines, to be effective, have to be proved to work safely across all age groups, races and ethnicities—and especially among those at high risk of contracting the virus.

Recruiters have to overcome several hurdles in high-risk populations: misinformation, decades of mistrust of healthcare and government institutions triggered by unethical experimentation, and fresh tensions around discrimination.

To do so, researchers are joining with community leaders, churches and advocacy organizations to educate about the benefits of vaccination. They are trying to reach potential subjects through social media and minority physicians. And they are hoping that simply testing the vaccines in locations with high proportions of minority populations will draw interest.

"You have to be able to get into some of these communities where there may not be as much experience or trust for science, and just be very convincing in helping people understand why this is important for their health," said Dr. Angela Branche of the University of Rochester Medical Center, in New York, which began testing a Covid-19 vaccine from **Pfizer** Inc. and **BioNTech** SE last week.

With Covid-19 vaccine testing moving quickly, some scientists are skeptical that drugmakers will sign off on wide-ranging recruitment strategies. "Everybody's against the gun in terms of enrolling as quickly as possible," said Dr. Kathryn Stephenson, director of the clinical-trials unit in the Center for Virology and Vaccine Research at Beth Israel Deaconess Medical Center in Boston. "Nobody's really going to want to wait around for those efforts to mature."

Food and Drug Administration guidelines for Covid-19 vaccines say the agency encourages enrollment of racial and ethnic minorities, but doesn't require it for approval.

Francis Collins, director of the National Institutes of Health, said recent social upheaval sparked by the death of George Floyd has likely added to feelings of mistrust between minority groups and government or pharmaceutical companies. "Yet we need their participation if this is going to have a meaningful outcome," he said. "We've got work to do."

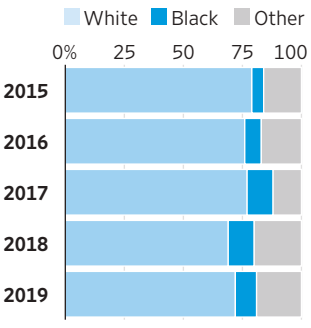
Covid-19 hospitalization rates for Black and Latino people are nearly five times that of whites, according to the Centers for Disease Control and Prevention. Black people suffer almost one-quarter of Covid-19-related deaths in the U.S., though they make up only about 13% of the population.

The National Black Church Initiative, which includes about 150,000 U.S. churches, is working with **Moderna** Inc. after contacting the drugmaker about collaborating on enrollment. Pastors will help educate church members about vaccines and encourage them to enroll, said the Rev. Anthony Evans, president of NBCI, which has worked with the industry on more than a dozen trials before Covid-19.

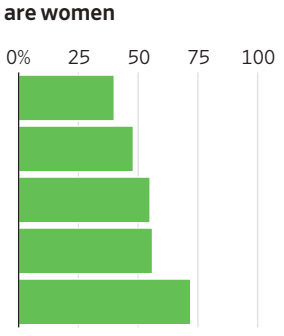
"We want to be included. We don't want to be thought of afterward," he said.

—Sarah Krouse contributed to this article.

Percentage of patients, by race, in new drug clinical trials



Percentage of participants in new drug clinical trials who are women



Source: Food and Drug Administration

Vaccine Shortfall Is Predicted

Continued from Page One

side vaccine advisers last week. A Trump administration official gave a roughly similar estimate during a call with reporters last week.

"Given the initial anticipated supply, not all groups that are deemed a priority will be able to be vaccinated at once," Dr. Sarah Mbaeyi, a CDC medical officer, said during the presentation to the vaccine advisers.

The limited initial reserve is forcing U.S. health officials and their advisers to make hard choices about who should get vaccinated first. It could mean prioritizing staff at hospital emergency departments and intensive-care units over health-care workers who have less interaction with the sickest patients, the officials and their advisers said.

They are also weighing how high to prioritize people who work outside of health care but in important jobs like those in the food-supply chain.

"There have been heartfelt discussions about this," said William Schaffner, professor of preventive medicine and infectious disease at Vanderbilt University Medical Center. He serves on a liaison group advising the CDC vaccine committee about coronavirus vaccines.

The deliberations come amid uncertainty over who has the final say on prioritization and distribution of coronavirus vaccines, as a number of different agencies and committees pursue plans at the same time.

There isn't an approved vaccine against the new coronavirus. Companies including AstraZeneca PLC, Pfizer Inc. and Moderna Inc. have started large clinical trials of their candidates. Positive data from the studies could lead to vaccines getting a green light for U.S. use as early as October, companies said.

The companies said they are ramping up manufacturing to eventually produce hundreds of millions of doses, but that bigger supply is unlikely to kick in until next year.

Moderna said it could have millions of doses later this year and expand to as much as one billion doses next year. Likewise, Pfizer, which is collaborating with BioNTech SE on a vaccine, plans to make up to 100 million doses globally by the end of 2020 and more than 1.3 billion doses by the end of 2021.

AstraZeneca, which is partnering with the University of Oxford, has agreed to deliver at least 300 million doses of a vaccine to the U.S. under a $1.2 billion federal funding deal, with initial supplies as soon as October.

The U.S. hasn't settled on a plan for distributing vaccines, according to industry officials and government advisers. Nor is it clear who has final say on the plan, including which people get vaccinated first.

Several drugmakers said they will likely defer prioritization decisions to government officials, particularly if the U.S. grants emergency-use authorizations to any vaccines, though drugmakers may make recommendations.

"What we advocate as a company is to focus on the highest-risk people first, which are first of all the health-care workers who need to work day in, day out with people coming in, at risk of their own health or sometimes life," Johnson & Johnson Chief Scientific Officer Paul Stoffels said in an interview.

Older adults and people with heart conditions and other health risks should also be prioritized, he said.

Novavax Inc. Chief Executive Stanley Erck said he expects the most difficult allocation decisions will be in the first six to nine months of vaccine availability, but then supplies should begin to catch up to the broader population.

The CDC's vaccine committee typically makes recommendations about who should get vaccinated and is working on a plan for coronavirus vaccines. The CDC has conducted focus group sessions to gauge public support for various options, which have indicated overwhelming support for prioritizing health-care workers, essential workers and high-risk populations, Dr. Mbaeyi said.

Yet the heads of the CDC and National Institutes of Health asked the National Academies of Sciences, Engineering and Medicine last month to form a separate committee to draw up a plan for equitable allocation of vaccine doses.

Meanwhile, the Trump administration has formed an initiative called Operation Warp Speed to provide federal funding that accelerates the testing, manufacturing and delivery of vaccines. Officials involved in that effort also are deliberating over who should get priority, an administration official said.

The Food and Drug Administration may specify which groups get priority if it grants an emergency use authorization for a vaccine.

AstraZeneca Sets Deal in China Market

AstraZeneca PLC agreed to have a Chinese drugmaker produce hundreds of millions of doses of its Covid-19 vaccine candidate for use in China if it is approved by regulators there, a deal that expands China's access to potential vaccine options.

Shenzhen Kangtai Biological Products Co. will be able to manufacture at least 100 million doses of AstraZeneca's vaccine by year's end, and at least 200 million by the end of 2021, according to statements by both companies Thursday.

AstraZeneca, which has promised to provide more than two billion doses of its experimental vaccine for the world, has struck up deals to sell its vaccine to the U.S. and Europe. The British company is also working with the Serum Institute of India to provide one billion doses for low and middle-income countries. It said the agreement with Kangtai was an exclusive one for the mainland Chinese market.

Co-developed by AstraZeneca and the University of Oxford, the experimental vaccine AZD1222 is among the world's most advanced vaccine candidates, and is being tested in late-stage, or Phase 3, studies in the U.K., Brazil and South Africa.

—Chao Deng

Anger Mounts as Lebanon Seeks Answers

Government warns deadly Beirut blast could widen economic woes, virus threat

By Isabel Coles And Nazih Osseiran

MARWAN TAHTAH/GETTY IMAGES

Workers searched a collapsed building on Thursday in Beirut. An explosion in a port depot on Tuesday killed at least 137 people.

BEIRUT—Rescue workers scrambled to clear rubble left from this week's massive explosion in a search for survivors on Thursday, as the government continued its investigation into the cause of a blast that killed at least 137 people and injured thousands.

Two days after the explosion at the city's port leveled much of Beirut's center, local authorities were racing to rescue people still trapped under the debris, fighting against time and a serious shortage of equipment.

Meanwhile, the government warned that the disaster could exacerbate a recent surge of new coronavirus infections in the country.

Authorities say the explosion was likely caused by a fire that ignited a stockpile of ammonium nitrate, a highly combustible material that had been stored in a depot at Beirut's port. About 5,000 people have been injured.

Even as it grapples with the aftermath of the blast, the tiny Mediterranean country has been laid low by a severe economic crisis and rising levels of coronavirus infections.

A slate of foreign governments has pledged critical supplies of equipment to treat the wounded and remove the mountains of debris left by the blast.

Some 250 rescuers from Greece, France, Poland, Germany, the Netherlands, Italy and the Czech Republic are already on the ground as part of a coordinated European Union effort. Russia and the U.S. are also delivering medical and logistical assistance.

French civil-defense units who flew in to help with the rescue effort were digging through the rubble of a collapsed building with their Lebanese counterparts. It wasn't clear whether anyone was trapped underneath.

On Thursday morning, French President Emmanuel Macron arrived at the site of the explosion to inspect the damage. Upon his arrival at Rafic Hariri International Airport in Beirut, he tweeted: "Lebanon is not alone."

"We seek to secure international aid for the Lebanese people, including medical supplies and medicine," Mr. Macron said before departing Beirut's airport for the city center. "We are fully aware that Lebanon's crisis is massive."

On Gemmayzeh Street, business owners and volunteers who had been clearing away debris crowded around Mr. Macron, who wore a face mask. They chanted, "The people want the fall of the regime!" and denounced Lebanese President Michel Aoun as a criminal and terrorist.

Footage from the scene showed a woman confronting Mr. Macron: "There are people who are still under the [rubble]!" she screamed.

Another woman shouted: "Don't give money to our government. We don't trust them."

Protests broke out again on Thursday as popular anger over the explosion rose. Activists demonstrated in downtown Beirut, a traditional protest area not far from the blast site, according to footage on local TV.

U.S. officials and the world's emergency lenders said they were readying crisis aid and financing for Lebanon. But the International Monetary Fund and the Trump administration said they won't support a $5 billion bailout that Lebanon is seeking without major economic overhauls, including efforts to fight corruption, required by the IMF.

Like the World Bank, which has also promised crisis funds, the IMF has short-term, emergency-financing facilities it can tap for countries suffering from unforeseen disasters. But while those financing programs require fewer conditions, the amounts also are far smaller than the billion-dollar bailouts countries often need for a full economic rescue.

The U.S. is particularly troubled about the expanding role of Hezbollah, an organization designated by the U.S. and several other Western nations as a terror group, in the economy and government.

Lebanon has responded with commitments to some of the economic overhauls, but has struggled politically to reach agreement on others. Lebanese officials at the country's embassy in Washington didn't respond to a request to comment.

—Ian Talley contributed to this article.

Search for Missing Continues

Continued from Page One

survivor and raising hopes more would be found.

Mr. Sheif's cousin, Imad Zaher al-Dine, was a security guard at the port. He posted a video of himself on Tuesday running toward the blaze that triggered the massive explosion. That night, Mr. Sheif and Mr. al-Dine's mother rode a motorcycle from hospital to hospital scouring the wards for him.

Now, other members of the extended family are continuing that search, while Mr. Sheif waits at the port. He said he has asked a friend who works for the Civil Defense Force to let him know if his cousin is found.

Budget cuts and a plummeting currency have severely limited the resources of Lebanon's first responders, who often lack the necessary equipment. And families have expressed anger at what they said has been a slow and ineffective rescue effort.

Dozens of foreign search-and-rescue personnel from the European Union have arrived to help, with excavation equipment and rescue dogs. Russia, too, said it sent five planeloads with medical personnel and rescue teams, and will establish a field hospital.

But the scope of the damage is enormous. And the aftermath of the blast was extremely chaotic.

MOHAMMAD ZAATARI/ASSOCIATED PRESS

The sister of a woman killed in Tuesday's blast mourns at her funeral.

At the Al-Rome Hospital near the port, four nurses and 13 patients were killed in the blast. Those rushed to the hospital for treatment were cared for on the street, where doctors did the best they could to provide rudimentary aid before evacuating them, said Alexander Nehme, a medical director at the hospital.

"There were a lot of volunteers and we don't know who got into which ambulances," Dr. Nehme said.

Across the capital, hospitals, already struggling under the weight of a buckling economy and an increase in coronavirus cases, have been overwhelmed. Some people, bloodied and cut up by flying shards, were turned away Tuesday night as hospitals were unable to accept more patients.

As in other aspects of the response, such as cleaning up the rubble on Beirut streets, the Lebanese have taken it upon themselves to help with the search for the missing.

With Lebanon's political class long mired in corruption and paralyzed by infighting, citizens have had to learn to rely on their own efforts.

A few hours after the explosion, Khattar Awad, a Lebanese living in Kuwait, started an Instagram account called @locatingvictimsbeirut. Feeling helpless because of not being in Lebanon, Mr. Awad, a first-year law student, turned to Instagram after seeing the initial confusion of people looking for friends and family.

"Social media plays a big role when other mediums are not able to function properly," he said.

Most posts consist of a photo of the person who's missing and a contact phone number. Many of the comments offer comforting words and emojis rather than relevant information. Some of the posts, updated through comments, bear news of tragedies. Others exult in joy as the missing relatives are found alive.

Many other families, however, are still searching.

This includes the relatives of Estephan Said, an army soldier who guarded the port. When the initial explosion struck Tuesday evening, he sent a video to his family. After the second blast, his family expected to hear from him again. But when they called his phone, it was turned off. They kept calling—more than 20 times altogether—but each call went unanswered.

Since Tuesday night, like so many Beiruti families, the Saids have searched the city's hospitals and posted Mr. Said's photo and a phone number on social media.

So far, the only response they have received is well-wishers' offers of prayer.

—Valentina Pop in Brussels contributed to this article.

Pope Francis Names Six Women To Vatican's Economic Council

By Francis X. Rocca

VATICAN CITY—Pope Francis named six women to the body that oversees Vatican finances, making them the most senior female officials ever to serve at the Vatican.

Their appointment to the Vatican's 15-member Council for the Economy, which previously was all-male, is the biggest step so far by Pope Francis to carry out his promise to place more women in leadership roles in the Catholic Church. The change comes as the Vatican's longstanding financial problems have become especially acute because of the pandemic and economic crisis.

The council's new members, announced by the Vatican on Thursday, include two women each from the U.K., Germany and Spain. Only one of the council's seven lay members will be a man. According to the council's statutes, a majority of eight members must be cardinals or bishops, who are always men.

Pope Francis established the council in February 2014 and named the original 15 members for a five-year term, although he often allows officials to serve beyond the end of their appointments.

Until now, Pope Francis' most prominent appointment of a woman to a Vatican post has been that of Barbara Jatta, an Italian art historian who became director of the Vatican Museums in 2017.

The pope has discouraged calls to ordain women as deacons, a lower rank of clergy than priests, dismissing the idea that ordination would give women greater status and participation in the church. In February, responding to bishops from Latin America's Amazon region who had expressed support for women deacons, Pope Francis wrote that women there should be given roles that "do not entail holy orders" but allow them to serve "in a way that reflects their womanhood."

The Council for the Economy's new members have backgrounds in finance, politics and academia. Pope Francis also replaced six of the original eight cardinals on the council.

The Council for the Economy is the highest authority, under the pope, over Vatican finances. It reviews budgets and balance sheets of all the offices of the Holy See, which consists of the central administration of the Catholic Church in Rome and the papal diplomatic network abroad, and of Vatican City State, the sovereign territory in Italy ruled by the pope.

The Holy See was struggling with a soaring budget deficit, reaching about €70 million ($83 million) in 2018 on a budget of about €300 million, before the pandemic and recession hit. Officials now foresee that the deficit could more than double for 2020, a person familiar with the matter said.

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U.S., Seoul Plan Digital Drills

By Andrew Jeong

SOUTH KOREA DEFENSE MINISTRY/ASSOCIATED PRESS

South Korean and U.S. missile systems fired projectiles during a joint military exercise in 2017.

SEOUL—The U.S. and South Korea plan to start their third major combined military exercise using computer simulations as early as next week, two years after President Trump ordered field drills to be scaled back.

The move to digital drills means most rank-and-file soldiers from the U.S. and South Korea haven't physically conducted a combined exercise for a violent confrontation with the Kim Jong Un regime, which has continued to advance its weapons arsenal. Seoul's military largely consists of draftees serving 18-month stints, while most U.S. troops typically spend a year based in South Korea.

The field drills were last conducted in early 2018 and involved tens of thousands of military personnel. They featured beach-storming marines and rumbling tanks. Now, the exercises unfold indoors in front of computer monitors. The digital drills require the involvement of just several thousand people, defense officials said.

"There's definitely a loss to preparedness," said Oh Yeon-goon, a retired South Korean air force general. The yearly drills keep the combined U.S.-South Korean forces synchronized and accustomed to serving under the same chain of command, Mr. Oh said.

Gen. Robert Abrams, the commander of U.S. forces in Korea, has said his troops had "leveraged modified training events" to maintain readiness despite the reduction in exercises. The allies have been conducting smaller-scale training.

After meeting Mr. Kim for the first time at a summit in Singapore in 2018, Mr. Trump, to the surprise of some of his own defense officials, abruptly said U.S.-South Korean military drills would be scaled back or suspended. The president has called the exercises "ridiculous and expensive." Pyongyang has often lashed out against the combined training.

The lost training means the two countries will have less understanding of each other's capabilities and weapons systems, eroding the mutual trust that is essential should a war erupt, recently retired South Korean military officials said.

Van Jackson, who served as a defense policy adviser in the Obama administration, said the U.S. has yet to receive any benefit from North Korea for suspending the field drills beyond Mr. Trump's friendship with Mr. Kim.

Over the past two years, the North has become a bigger threat to the U.S. and South Korea, military analysts said. Pyongyang has resumed its cycle of weapons testing and provocations as nuclear talks with Washington have stalled.

In the past, the computerized simulations presented scenarios, like a surprise North Korean military attack against South Korea, or an internal Kim regime crisis that may warrant an allied intervention, recently retired South Korean military officials said.

In the coming drills, participants will be wearing masks, enforcing social distancing, and emphasizing basic hygiene measures, as precautions against the coronavirus, defense officials said.

Ex-Spy Says Saudis Tried to Kill Him

By Stephen Kalin And Summer Said

A former Saudi Arabian intelligence official claims Crown Prince Mohammed bin Salman dispatched a hit squad to Canada to assassinate him less than two weeks after Saudi operatives killed dissident journalist Jamal Khashoggi in Turkey, according to a civil suit filed Thursday in a U.S. court.

Saad al-Jabri, who was the U.S.'s closest counterterrorism contact in the Arab world for 15 years, fled the kingdom in 2017—weeks before his patron, Prince Mohammed's predecessor as crown prince, was replaced.

Mr. Jabri is claiming Prince Mohammed's agents tracked him to Toronto and traveled there to kill him after attempts to pressure him to return to the kingdom failed.

The spymaster's close ties to the U.S. intelligence community and possession of sensitive information about Prince Mohammed made him a threat to the crown prince's pursuit of power, the suit filed in the District of Columbia Circuit Court alleges.

The filing, reviewed by The Wall Street Journal, relies heavily on media reports and WhatsApp messages sent to Mr. Jabri by Prince Mohammed.

The Saudi media ministry and embassy in Washington didn't respond to requests to comment.

The Wall Street Journal reported last month how the fight between Mr. Jabri and the Saudi government—which accuses him of leading a group inside the Interior Ministry that misspent $11 billion in government money—has shed light on the country's system of patronage, business deals and alleged self-enrichment.

The lawsuit, which is seeking unspecified compensation under a law authorizing suits against individuals who commit torture or extrajudicial killing under the authority of a foreign government, is an attack on the reputation of the Saudi crown prince, who has struggled to overcome international criticism over the 2018 killing of Mr. Khashoggi.

Prince Mohammed has acknowledged that men working for him killed the journalist, but denied being involved.

Mr. Jabri, 61, alleges that after attempts to lure and pressure him to return to Saudi Arabia—including preventing two of his children from leaving the country—Prince Mohammed sent agents to find where he was hiding and then personally orchestrated an operation to kill him.

Many of the allegations echo the details of Mr. Khashoggi's killing, such as a phone hack, text-message exchanges with Prince Mohammed, and a team of Saudi operatives dispatched to a foreign country.

In a lawsuit, Saad al-Jabri claims Prince Mohammed sought to silence him.

According to the court filings, the alleged hit team flew to Canada on Oct. 15, 2018, but were refused entry after drawing the suspicion of Canadian border security officials. Mr. Jabri alleges Prince Mohammed later planned to target him again by sending agents to Canada via the U.S.

A spokeswoman for Canada's public-safety minister declined to comment on the specific allegations in the lawsuit.

The Saudi government has issued extradition requests and Interpol notices to try to get Mr. Jabri back to the kingdom.

—Paul Vieira in Ottawa and Warren Strobel in Washington contributed to this article.

American Special Envoy to Iran Steps Down

By Courtney McBride

WASHINGTON—The State Department's special envoy for Iran is stepping down from his post, having overseen the Trump administration's "maximum pressure" campaign that impoverished the country without drawing Tehran back to the nuclear negotiating table.

Brian Hook, who assumed the position in August 2018, has been the face of the Trump administration's diplomatic and economic campaign against Iran, a key element of which was the May 2018 withdrawal from the 2015 international nuclear pact.

Elliott Abrams, who has served since January 2019 as the special representative for Venezuela, will assume Mr. Hook's portfolio, while retaining his current responsibilities.

After two years in the role, Mr. Hook views this as a natural transition point and intends to return to the private sector, according to a person with knowledge of his plans.

Among other tasks, Mr. Hook has spent the past few months seeking support for a U.S. proposal to extend a conventional arms embargo against Iran, set to expire in October. Mr. Hook said Wednesday he had traveled to 11 countries in the past month in support of the effort.

Secretary of State Mike Pompeo said Wednesday the U.S. will introduce a resolution in the United Nations Security Council that would extend the five-year ban.

Mr. Hook said Wednesday he saw unanimity among the Arab Gulf countries and Israel over the need for an extension, noting no parties think the cause of regional peace would be served by Iran having more weapons.

In a statement, Mr. Pompeo credited Mr. Hook with the release from Iranian prisons of U.S. Navy veteran Michael White and Princeton graduate student Xiyue Wang.

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Quitting The Gym Is A Workout

Continued from Page One

television series "Friends"—sometimes seems like it requires a law degree now with branch closures and stay-home orders.

Ms. Conn said after she tried contacting 24 Hour Fitness, "The only clear communication I really received was the chapter 11 notice."

The company declined to comment on specific complaints, and referred to a statement saying 24 Hour Fitness communicated with members about changes to its business through the pandemic, including notifying them that billings and fees would be suspended April 16. Members charged between March 17 and April 15, the statement says, will receive additional days of club access to the end of their terms, equal to the days paid while clubs were closed in their area. The company's website has a link for members to quit.

It might be tougher than usual to get money back even if the gym hasn't gone bankrupt. Some members of Fitness International LLC's LA Fitness gyms said in a lawsuit seeking class-action status filed in the Southern District Court of Florida in March that they were charged for the month just one day before their gyms shut down. The company is telling them to take their claims to arbitration, which could cost hundreds, if not thousands of dollars—to dispute a $30 fee—said the lawyer for the plaintiffs, Jibrael S. Hindi.

LA Fitness didn't reply to requests for comment. It was previously quoted in a trade publication saying that some members were billed for a short period when clubs were closed from the coronavirus and that it took immediate action to address those complaints.

"It's distressing to hear that some members are having difficulty canceling or putting holds on their memberships," said Meredith Poppler, spokeswoman for the International Health Racquet and Sportsclub Association. "This industry is severely hurting, so I hope the bad actions of a few don't paint another negative on the small businesses."

The fitness industry lost an estimated $700 million a week during the height of the shutdown, according to data the association published this summer. Some clubs have pivoted to outdoor workouts and virtual classes, but without congressional relief, the association said, it believed a quarter of U.S. clubs could close by year's end.

One in four Americans said they would never return to the gym in a June survey by market-research firm OnePoll.

Several gym chains froze membership dues at the pandemic's onset and have offered payment alternatives. Gold's Gym International Inc. filed for chapter 11 bankruptcy protection in May, with CEO Adam Zeitsiff saying the company-owned locations would be automatically freezing membership dues at no cost until members' gyms could reopen.

'The system was set up to discourage people from canceling.'

Planet Fitness Inc. reported that membership declined 4% during the second quarter ended June 30 from the three months earlier, to 14.8 million. A Planet Fitness spokesperson said members whose clubs remained temporarily closed could contact the member-services department on its website to discuss their membership terms or needs and that members whose stores remained closed wouldn't be charged.

Many gyms use long-term contracts, some with penalties for early termination. Contract disputes and billing issues are common among complaints to the Better Business Bureau. From 2017 through 2019, the BBB said, it fielded more than 11,800 complaints related to gyms and fitness centers. As of June, that figure was 2,226 for this year.

Bankrupt gyms are in a process known as "a workout." Gold's Gym recently received court approval to sell itself to German fitness chain operator RSG Group GmbH for $100 million. On July 14, a bankruptcy judge granted interim approval of 24 Hour Fitness's request for a $250 million bankruptcy loan. Only $50 million was provided, and the company is reassessing whether that $250 million figure will be enough to keep it running.

Difficulties quitting the gym are commonplace enough to have inspired a subgenre on internet messaging boards even before the pandemic, with quitters and gym employees offering advice about dealing with resistance and obscure requirements—like having to quit in person or by traditional mail.

Danny Herrera tapped that resource after lockdown. The 32-year-old communications consultant from Los Angeles filled out the 24 Hour Fitness online form in March. No one followed up on his inquiries, he said.

Through online research, he discovered a trick to speak with a real person. To an automated phone answerer, he pretended to be a new customer looking for membership; when he got connected to a representative, he flipped the script and asked to cancel. It worked.

Mr. Herrera created a Twitter account, @Cancel24HrFit, to upload audio of his call. "The system was set up to discourage people from canceling their account," he said.

Latin America's Covid Toll

Continued from Page One

lated by war refugees. Earlier this year, he employed 10 people in his furniture-making business in the same neighborhood, a manufacturing hub that has helped thousands escape poverty.

With the coronavirus pandemic whipping across Latin America, Mr. Castañeda has laid off workers and the business he named after daughters Fernanda and Kamila, Ferkam Furniture, is on the verge of closing. Myriad other entrepreneurs have already gone broke in Villa El Salvador, home to an industrial quarter on the outskirts of Lima that employed about 100,000 people.

"We've had absolutely no income," said Mr. Castañeda, 29. "We've had to survive on our savings, and now that money is gone."

About 2.7 million businesses, or nearly 20% of the region's companies, are expected to close for good, said Alicia Bárcena, executive secretary of the United Nations' Economic Commission on Latin America and the Caribbean. The demise of the mainly small firms will destroy 8.5 million jobs.

Large corporations are also being battered despite having more capital and the ability to take on debt. Argentina's Techint engineering conglomerate laid off about 1,500 workers after construction projects were halted. Chile's Cencosud, one of Latin America's biggest retailers, is shutting its 11 Paris department stores in Peru.

The crisis has so far led six corporations to default this year, the same for all of 2019, according to Fitch Ratings. It says another 40 corporations in telecommunications, oil and gas, and construction are at risk of defaulting on more than $36 billion in debt due to the pandemic, imperiling any economic recovery.

"If they go belly up, if they don't survive the crossing of the desert, you are actually destroying the capital stock of the economy," said Alberto Ramos, an economist at Goldman Sachs. "When the doors do reopen, the recovery is going to be weaker."

Bankruptcy wave

Major regional airlines from Colombia, Mexico and Chile have already filed for bankruptcy. In Argentina, emblematic theaters and steakhouses are struggling to stay afloat. Picturesque Caribbean towns that once attracted throngs of tourists to sandy beaches are all but abandoned. The newly unemployed, many with no safety net after working in the vast informal labor force, are increasingly destitute. The U.N.'s World Food Program warns there could be a hunger crisis.

"This is the worst crisis in our history," Peruvian President Martín Vizcarra said recently.

Luis Alberto Moreno, president of the Inter-American Development Bank, said the challenges for governments up and down the region are steep: Debt-to-GDP levels, which stood at 57% last year, are expected to hit 70% or higher, he said, as trade volume and tax income fall precipitously. Countries with a 30% drop in the money relatives in the U.S. and Europe send to support families, the blow amounts to a financial storm unlike any in modern times.

"This is to me the Great Depression with the Spanish Flu at the same time," Mr. Moreno said from Washington. "Latin America probably will be hit as a region the hardest of any place in the world."

Latin America's three biggest economies—Brazil, Mexico and Argentina, with their 380 million inhabitants—are on track for about a 10% decline in their gross domestic product this year, the IMF said.

Mexico has been powering up its formidable manufacturing sector but the country can't avoid the economic and social cost. The government estimates the number of poor Mexicans could rise this year to 70 million, 57% of the population, from 61 million in 2018. Those in extreme poverty could expand to as many as 32 million, up from 21 million in 2018. Mexico lost 12.5 million jobs in April alone.

In Brazil, 13 million people were already in extreme poverty in 2019, partly the consequence of a 2014-16 recession and years of sluggish growth since. Then came the pandemic, which has led to nearly 100,000 deaths, more than anywhere save the U.S.

People like Junio de Jesus Oliveira, who migrated to São Paulo eight years ago and started a locksmith shop and a bar in the working class Brasilândia district, worry what the future holds. He has already spent nearly all his savings, about $18,000, to keep his businesses afloat. He had to close his locksmith business—temporarily, he hopes—and dismiss three employees. The bar may be next.

"If things don't improve soon, I will need to close down everything and go back" to his home state in southeast Brazil, he said. "I came to São Paulo to improve my life. This pandemic was a curse."

Far to the north, in the Colombian capital of Bogotá, José Manuel Díaz, 62, has looked back with pride at decades of work at some of the city's best-known restaurants. He rose from a poverty-stricken childhood in the countryside to a professional waiter who has bought his own home, car and put two children through university.

"It's been very hard because not even one peso is coming in," he said, noting that the country's quarantine has closed off much of the service sector, leaving him at home. "We can't work. We can't do anything. You have to abide by government measures, but it is very hard, very hard."

Commodity boom

At the dawn of the new millennium, things looked quite different as the price of oil, soybeans, copper and iron ore—among the commodities produced in Latin America, all coveted by China—began an inexorable rise.

Flush with cash, governments created social programs and funded generous cash handout programs for the poor, which coupled with fast-growing economies cut into poverty. Brazil lifted 30 million from poverty amid a wave of optimism about the nation's future as it prepared to host soccer's World Cup and the Summer Olympics. Peru, emerging from quasi-dictatorship, saw poverty reduced from 58% in 2004 to about 20% last year, according to World Bank figures. Argentina's economy, in one nine-year stretch, grew an average of 6.5% annually, slowing only briefly for the 2009 worldwide economic crisis. A 10-year expansion in Chile saw the economy grow nearly 5% a year.

The robust growth slowed in recent years with the end of the commodities boom. Brazil and Argentina, having failed to save enough money during the good times, slipped into recessions. Others, including Chile, Peru and Colombia, continued to grow at a slower pace.

What's happened since March—a multicountry economic crash caused by the coronavirus—is such that the United Nations said the number of poor people across Latin America could rise this year by 45 million to a total of 230 million. Those categorized as extremely poor, people at risk of malnutrition and homelessness, could grow by 28 million to 96 million.

"We've entered a tunnel, and we don't know how long it is," said Alejandro Izquierdo, an economist at the Inter-American Development Bank, or IDB. "One thing we know for sure is the region will emerge more indebted, poorer and more unequal, and the risk of default is going to increase."

Those toiling on the lower rung have been hit hardest. Seventy percent of households in the lowest quintile of Latin American society report losing at least one job, compared with 30% of households with the highest earnings, according to an IDB household survey of 17 countries in the region. The survey also showed that nearly half of households with a business owner report having had to close.

Peru takes a hit

The economic blow is particularly devastating in what was once Latin America's fastest-growing big economy, Peru. The IMF is now predicting the economy will contract 14% this year, highest of any of the region's large economies.

Back in the 1980s and early '90s, Villa El Salvador, a barrio on Lima's edge settled by poor Andean migrants, was a metaphor for Peru—a place with little hope. Maoist insurgents fighting the state destroyed electricity towers, detonated car bombs, and assassinated local leaders, including a prominent activist who was shot in front of her children before rebels blew up her body with dynamite. Then the rebels were defeated, hyperinflation was tamed and, in the early 2000s, democracy was consolidated.

It isn't a middle-class district, but Villa El Salvador has made great strides. It is now on Lima's metro line, has private schools, universities and a modern shopping mall. Its industrial sector is home to nearly 3,000 businesses, which until the pandemic attracted throngs of shoppers from across Lima buying beds, couches and dining room tables.

Now half of those businesses aren't expected to reopen, a local business association said, while private schools are shutting for good and parents are withdrawing their children from universities, unable to pay tuition.

Nelida Rodriguez, a 44-year-old single mother of three, had been upbeat in March after getting a part-time cleaning job to complement her income selling socks and slippers at a market stall.

Now, she has lost both jobs and run out of money. A $110 government cash handout wasn't enough. Her family is eating once a day. She and neighbors pool resources to pay for meals from a communal pot of small sand crabs scavenged by men at a nearby beach. And she's worried about her 9-year-old daughter, who hasn't been able to study this year since schools have been closed.

"I thought I could provide a better life for my children," said Ms. Rodriguez while she cooked 20 pounds of lentils over a wood fire to feed her family and dozens of neighbors. "Now I have no plans."

—Luciana Magalhaes and Jeffrey T. Lewis in São Paulo and Anthony Harrup in Mexico City contributed to this article.

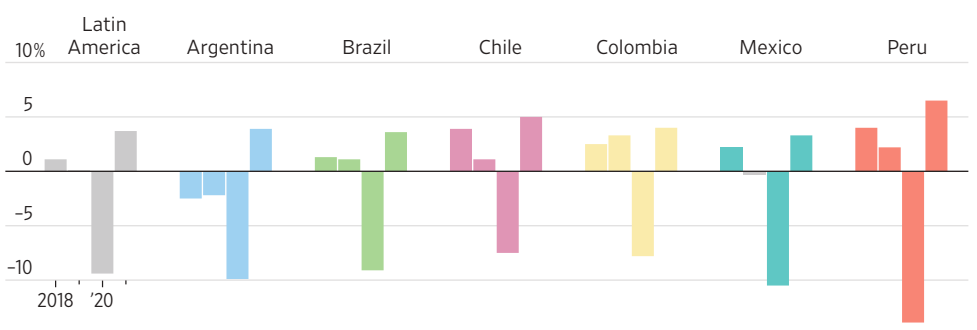
ADRIAN PORTUGAL FOR THE WALL STREET JOURNAL (3)

Above, Jhon Castañeda, owner of a furniture factory, which is on the verge of closing, in the Lima manufacturing hub of Villa El Salvador. Below left, Nelida Rodriguez cooks lunch at a kitchen in the same neighborhood. At right, a soup kitchen.

Going Backward

Major economies in Latin America are taking a big economic hit from the pandemic this year.

Gross domestic product, change from previous year



Note: 2020 and 2021 are forecasts. Latin America data includes the Caribbean
Source: International Monetary Fund

GREATER NEW YORK

Sheriff Steps Up for More Duties

Office enforces rules against big gatherings, operates checkpoints to ensure quarantines

By Ben Chapman

The sheriff's office of New York City is assuming new duties to control the spread of the coronavirus pandemic, including social-distancing enforcement and the operation of checkpoints to ensure compliance with quarantine orders for out-of-state visitors.

The new roles are an expansion of responsibilities for the sheriff's office, a division of the city's Department of Finance led by Sheriff Joseph Fucito—a career law-enforcement officer who began working in the sheriff's office at age 18 and was appointed to his current role by Mayor Bill de Blasio in 2014.

Mr. Fucito and his staff of more than 150 deputy sheriffs, investigators and auditors are usually tasked with a variety of jobs such as serving legal papers, collecting on judgments, executing property seizures and enforcing criminal warrants.

Now, his team has taken on additional duties, including the inspection of restaurants and bars to ensure they comply with rules designed to halt the spread of the coronavirus, the enforcement of bans on gatherings that violate social-distancing rules, and the oversight of new checkpoints to ensure out-of-state visitors observe quarantine rules imposed by New York Gov. Andrew Cuomo.

Mr. Fucito's office was even tapped to help stop a burst of illegal fireworks usage in the city that prompted more than 10,000 complaints from residents concerned about noise and safety hazards in June.

"Sheriffs in New York City and New York state have always held a historic role in public safety and health," Mr. Fucito said in an interview. "We're not the quarantine police, but we enforce court orders and always have."

New York City's sheriff has a relatively small staff compared with other law-enforcement agencies such as the New York Police Department, which has roughly 36,000 uniformed officers and 19,000 civilian employees.

FROM TOP: CARLO ALLEGRI/REUTERS; ED REED/MAYORAL PHOTOGRAPHY OFFICE

Passengers arriving at Penn Station on a train from Florida were offered guidance on quarantine rules. New York City Sheriff Joseph Fucito told reporters Wednesday that flexibility would be key to handling the new checkpoints in addition to other responsibilities.

But Mr. Fucito said his team has been working with state and city authorities to stop the spread of the coronavirus since March, starting with the enforcement of rules to limit activities of city residents and businesses since the state of emergency declared by Mr. de Blasio on March 13.

His office conducted more than 319,000 inspections of businesses and public spaces from March 15 to Aug. 3, giving 5,783 warnings to violators of emergency quarantine rules, issuing hundreds of desk appearance tickets and making a number of arrests.

Since the city began lifting emergency measures in June, complaints about parties and loud music have increased, with more than 74,000 complaints filed in June and 67,000 complaints in July—more than double the average number of complaints in the previous five years.

Often, Mr. Fucito's team is called to enforce rules against such gatherings. In the past two weeks, he said, his officers took actions regarding an illegal boat party on the East River, a prohibited nightclub in Chinatown and a sex party in Midtown Manhattan.

"This is relatively new," Mr. Fucito said of such efforts. "Our involvement is that it is a crime, although much of it is resolved through civil enforcement."

The NYPD participates in similar enforcement measures, with officers responding to a rave dance party in Brooklyn Saturday night that drew hundreds of revelers, police officials said. In that case, officers dispersed the crowd without making any arrests or issuing any tickets, the officials said.

This week, Mr. Fucito's office was given another new responsibility: operating checkpoints at key entry points to the city with other law-enforcement agencies. The primary objective is to inform travelers of mandatory two-week quarantines that apply to those visiting from areas with high rates of coronavirus infections.

Under the program, travelers who have been to one of 34 states and Puerto Rico will be required to fill out a health form for the city's contact-tracing program and quarantine. People caught violating the order could be fined up to $10,000.

Mr. Fucito joined Mr. de Blasio for a press conference to discuss the checkpoints at City Hall on Wednesday, where he said flexibility would be key in handling the new checkpoints in addition to responsibilities in court actions and nightlife enforcement.

"So, it's a balancing test," Mr. Fucito said at the press conference. "We have to make sure that we assign the right amount of resources."

—Coulter Jones and Shan Li contributed to this article.

Police Groups Sue Over Chokehold

By Shan Li And Ben Chapman

A coalition of New York City law-enforcement unions filed a lawsuit that seeks to overturn a recently enacted law that criminalizes the use of a chokehold by police.

Mayor Bill de Blasio signed the measure in July, making a law-enforcement officer's use of a chokehold or chest compression a misdemeanor crime punishable by up to a year in prison. The law was one of a number of such bans passed in other municipalities after the May 25 killing of George Floyd in Minneapolis police custody.

Filed in New York state court on Wednesday, the lawsuit says the city ban "goes beyond a law governing police misconduct" and "threatens police officers with fines and imprisonment for doing their jobs in good faith with no intent to harm a suspect."

The suit asks the court to temporarily halt the law, and find it invalid and unenforceable.

Mr. de Blasio declined to comment on the lawsuit at an unrelated news conference Thursday. However, he said that New York state law provides protections to officers who do their job appropriately.

New York City Councilman Rory Lancman, a Queens Democrat who wrote the legislation, accused the unions of fighting against criminal-justice reform.

New York City Law Department spokesman Nick Paolucci said his agency is reviewing the complaint.

A new law makes the move a misdemeanor punishable by up to a year in prison.

The lawsuit comes six years after Staten Island resident Eric Garner died when a New York Police Department officer placed him in a chokehold. Mr. Garner's last words of "I can't breathe" were captured on video and inspired widespread protests in 2014.

The lawsuit says that a recent update to the state penal code banning chokeholds should trump a city law on the same issue. The state law applies when an officer's use of a chokehold causes serious injury or death. New York City's ban includes no such injury requirement.

The coalition of police unions that filed the suit includes the Police Benevolent Association, which represents NYPD officers.

The New York City law has already produced "a chilling effect" that has discouraged police officers from doing their jobs, the suit says. Police chiefs and sheriffs in neighboring counties, the suit said, also have directed their officers to avoid law-enforcement activities in New York City out of fear of prosecution.

"The mayor and the City Council took a big gamble with this law," said Hank Sheinkopf, a spokesman for the coalition. "It was pure politics."

Cuomo Extends Order to Suspend Evictions

By Will Parker

Thousands of New York renters received a reprieve after Gov. Andrew Cuomo extended an eviction ban, but that relief could prove to be short-lived.

The governor late Wednesday renewed an executive order that allows New York courts to suspend most apartment evictions. His action marked at least a temporary victory for about 14,000 households that faced possible eviction related to proceedings that began before the pandemic.

Now it is up to the New York court system to decide how to apply the order, and the courts could still allow some eviction proceedings to go ahead. A spokesman for the New York State Unified Court System declined to say what the courts would do, but he said the system expects to issue updated guidelines soon.

A spokeswoman for Mr. Cuomo said Thursday that the order "continued provisions giving the courts and litigants the leeway to suspend deadlines related to civil litigation. How and if they use this authority when it comes to eviction proceedings is up to them."

Tenants in New York state have been protected from eviction since March, when Mr. Cuomo instated the initial moratorium rule.

Separately, apartment tenants who have missed rent payments during the pandemic are still protected, as long as they can demonstrate financial hardship. The state Legislature passed a law in June preventing tenants from being evicted because of unpaid rent during the Covid-19 period, though they would have to eventually pay back missed rent.

JUSTIN LANE/EPA/SHUTTERSTOCK

Protesters in Brooklyn called Thursday for the cancellation of rent payments during the pandemic.

Power Outages From Storm Isaias Could Drag On for Days

By Akane Otani

More than one million customers in New York, New Jersey and Connecticut were without power for a third day after Tropical Storm Isaias battered the region, and some outages could stretch into next week, utility companies said.

Consolidated Edison Inc., which serves customers in New York City and Westchester County, said Thursday it probably would take until the end of Sunday to restore power to "the vast majority of customers."

Jersey Central Power & Light said it would take until late Tuesday to restore power to the customers it serves in central and northern New Jersey. And Eversource Energy in Connecticut said on its website that it was hoping to provide estimated repair times for customers sometime Thursday.

"It's a total disaster," Richard Whalen, 81 years old, said Thursday.

Mr. Whalen said his house in South Salem, N.Y., had been without power from New York State Electric & Gas Corp. since Tuesday afternoon. He has relied on a backup generator for the past few days but planned to drive into town to get more fuel for the generator.

NYSEG has provided little communication, Mr. Whalen said.

"You call and you get the same thing we heard Wednesday morning: no estimated time of repair," he said.

NYSEG said Thursday that it would work to get customers estimated times for repairs by the afternoon, and that it expected 95% of customers to have power back on by late Monday.

Amy Bass, 50, of New Rochelle, N.Y., said she lost power from ConEd late Tuesday and hadn't had it back since.

"We woke up to rotting and melting food, drained phones, and no Wi-Fi and cell service," Ms. Bass said.

She said she was grateful that she and her family were safe but disappointed over the lack of updates from the utility. Isaias was just one of a number of storms that have led to prolonged power outages at her house over the years, she said.

Isaias barreled through the area Tuesday, downing trees and causing at one point more than two million outages. Police officials have confirmed at least two storm-related deaths—one in Queens, another in Connecticut—and are investigating a third in New Jersey caused by a possible electrocution.

Hardware and home-improvement stores reported an influx of customers in the days after the storm.

There has been a "huge need for flashlights, batteries, propane and oil for generators," said Howie Levine, owner of Denville Hardware, a family-run store in northern New Jersey.

Meanwhile, politicians across the tri-state region ramped up pressure on utilities to expedite repairs.

New York City Mayor Bill de Blasio said in a press briefing Thursday that he had talked to the president of ConEd earlier that day and asked the utility to speed up its work.

"We just can't have people wait that long. It's just not fair," Mr. de Blasio said, referring to the utility's estimate of Sunday for restoring power to most customers.

In Connecticut, the authority that oversees public utilities said Thursday that it had opened an investigation into how utilities Eversource and United Illuminating prepared for and responded to Isaias. The authority will also consider whether the utilities should pay civil penalties.

"There are disturbing reports emerging about the coordination, or lack thereof, between our electric utilities and the communities which they serve. This is simply unacceptable," said Marissa Gillett, chairwoman of the Connecticut Public Utilities Regulatory Authority.

PURA opened the investigation at the request of Connecticut Gov. Ned Lamont, who declared a state of emergency Wednesday.

"This is how we start to hold our public utilities accountable," Mr. Lamont said in a tweet.

Spokesmen from Eversource and United Illuminating said that the utilities would cooperate with the investigation and that they are focused on restoring power to all of their customers.

—Joseph De Avila contributed to this article.

Teachers Union Presses de Blasio On School Safety

By Lee Hawkins

The head of New York City's teachers union is stepping up pressure on Mayor Bill de Blasio, saying City Hall's plan for reopening schools in September falls short of safeguards needed to protect students and school staff amid the coronavirus pandemic.

Michael Mulgrew, president of the United Federation of Teachers, on Wednesday asked union members to sign a petition listing safety measures he says the schools must have in place before reopening this fall for in-person learning.

The safeguards Mr. Mulgrew is calling for include: a coronavirus-testing regimen for adults and student volunteers to identify those who are infected with the virus but are asymptomatic—with results in 24 hours; contact tracers to investigate who else has been exposed; and a school nurse in every school building. He also wants proof that buildings have ventilation upgrades and enough staff for nightly cleanings.

The union wants a coronavirus-testing regimen for student and staff volunteers.

"Without these protections in place, staff and students—and the families they go home to at night—will not be safe from the coronavirus," said Mr. Mulgrew, who has been a part of the discussions with Mr. de Blasio and the city's Department of Education around reopening.

City Hall spokeswoman Avery Cohen said the city was "doing everything in our power to keep students and staff safe," which includes the deployment of "a dedicated test and trace team for schools."

"We will continue to work with the union as we implement plans for the fall," said Ms. Cohen, who offered no specifics about the city's timeline.

Mr. Mulgrew is the latest union official in recent weeks to express concerns about school-safety plans, echoing a call for more transparency and guidance. The principals union in July said that the public-school system needed to provide its ranks with more guidance to prepare schools for safe in-person learning.

"As each day passes without clear guidance and safety assurances, it becomes less likely that we will be ready to reopen in September," Mark Cannizzaro, president of the Council of School Supervisors and Administrators, wrote in a July letter to principals. "Your frustration with this alarming lack of direction is beyond understandable."

The city's preliminary school-reopening plan calls for a mix of in-person and online learning for most of the city's 1.1 million students. The mayor and the Department of Education have discussed some aspects of the safety plans and promised to divulge a more comprehensive plan soon, but Mr. Mulgrew has chastised the city officials for not starting the planning process sooner.

New York Gov. Andrew Cuomo could decide soon whether to allow schools in New York City and districts across the state to reopen school buildings for classes based on safety and social-distancing plans they each submitted in July for state approval.

FROM TOP: JT ANDERSON; E. SCOTT LINDNER

Mike Feeney performs in Central Park as part of Stand Up NY. Matt Richards, below, does his act on the roof of New York Comedy Club.

Comedy Clubs Take Jokes Outside

By Charles Passy

In the prepandemic era, enjoying a night of comedy was a time-honored New York ritual that typically involved lots of laughs in a tightly packed club.

These days, the laughs are still coming, but the setting has decidedly changed: Think a waterfront park, where the comedians are competing for attention with the occasional wandering dog or contending with interruptions from boats sounding their horns.

Such is what now takes place several nights a week at Wagner Park, located within lower Manhattan's Battery Park City. It is all part of an effort by Stand Up NY, a club on Manhattan's Upper West Side with a three-decade history, to keep the city's once bustling comedy scene going and, in turn, keep its business afloat by presenting ticketed shows at parks. Other venues include Central Park and Brooklyn's Prospect Park.

Stand Up NY owner Dani Zoldan said that while the outdoors presents some challenges, the response has been so positive from audiences and comics alike that he may keep the shows going even when he is allowed to reopen his venue. The club has been closed since March because of the coronavirus pandemic.

"Why be confined to four walls?" he said.

New York Comedy Club, which has two indoor Manhattan locations, has been presenting events at open-air spaces around the city. Q.E.D., a comedy club in Queens' Astoria neighborhood, is making use of its own backyard for shows. And while the Stand, a Manhattan club and restaurant, hasn't offered formal shows, it often has comedians stopping by its outdoor dining area and doing impromptu bits.

Even venues beyond clubs are adding some hilarity to the mix. The Old Homestead Steakhouse, a famed dining spot in Manhattan's Meatpacking District, will feature stand-ups entertaining patrons nightly as part of its newly launched outdoor setup. "We all could use a few laughs right now," said Marc Sherry, one of the restaurant's owners.

Still, presenters of comedy in open-air settings may face some government roadblocks. Even though New York state has permitted what it calls low-risk outdoor arts and entertainment activities as part of its pandemic guidelines, a state spokeswoman said comedy shows aren't allowed.

But Mr. Zoldan and other comedy presenters said they believe they are operating safely and fit fully within the state's low-risk guidance.

Comedy in the great outdoors presents other issues. Veteran stand-ups said it can be challenging to get a feel for the crowd when their audience is, say, spread out on a lawn.

"The rules are out the window. We don't even have a microphone," said Ryan Beck, a comedian who appeared earlier this week at Wagner Park.

Comedy fans are taking it all in, saying the outdoor environment is a bonus.

Ely Gemara, an Upper West Side resident, is among the regulars at the Stand Up NY park shows. "You're used to being in a dark basement," he said of the city's comedy scene. "I prefer to come here."

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THE WALL STREET JOURNAL.

ARTS IN REVIEW

FILM REVIEW

A Parable of Timeless Relevance

By John Anderson

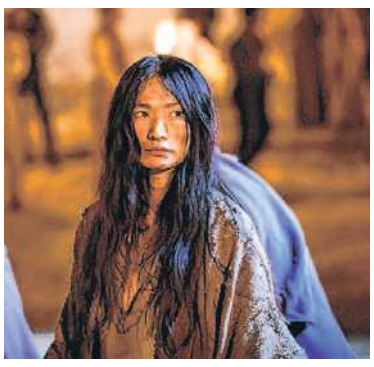
SAMUEL GOLDWYN FILMS (3)

With a screenplay by Nobel laureate J.M. Coetzee from his 1980 novel, "Waiting for the Barbarians" is a parable of depressingly timeless relevance, which means it's faithful to its source material. Set in an uncertain era at an unnamed outpost of an unnamed empire that manufactures enemies to suit its untidy objectives, the setting could be British India, Nazi Germany, Pol Pot's Cambodia, or Mr. Coetzee's native South Africa under apartheid—anywhere, really, where opportunists and sadists have assumed the administration of what passes for policy.

Per director Ciro Guerra, Mr. Coetzee's harrowing story takes place mostly in a frontier town in a seemingly Central Asian country where the Mongolic people on its outskirts have been dubbed "barbarians." The unnamed Magistrate of the village (Mark Rylance) administers the necessary local justice—the returning of a pig to its rightful owner, for instance—and maintains order, civility and a rational attitude toward the locals. He knows them to be peaceful, nomadic and historic; he's overseeing his own small archaeological dig outside the walls, where he rescues fragments of ancient writing, seemingly on bone. He knows, too, that his neighbors operate on the belief that one day the colonials will simply go away. And he doesn't disagree. The Magistrate, in other words, is a good man and a bad bureaucrat, and both have a bleak future.

That future arrives in the person of Colonel Joll, who is played by Johnny Depp, an actor whose intersection with Mr. Rylance provides some extranarrative delight in what is otherwise a despairing tale. It's a collision of talents, technique and even philosophy: The much-honored Mr. Rylance can be an antidote to actorly artifice; Mr. Depp is a delivery system for eccentricity. The conventional characters he's played over the past several decades can probably be counted on one hand, and Joll seems to be modeled in parts on Erich von Stroheim in "Grand Illusion" and Peter Sellers as Dr. Strangelove—although the latter might have to do with Joll's rather dramatic sunglasses. The Magistrate has never seen a pair. What do they do? They protect the eyes, Joll explains; they reduce one's squint in the remorseless sun of the Empire's farthest reaches.

They also help disguise the fact that he has no soul, though the Magistrate pegs his opponent-to-



be as a sadist from the moment they meet and Joll explains his techniques of "patience" and "pressure" in extracting the truth from the nomads he has captured—and tortured, maimed and sometimes killed. How do you differentiate the truth when you hear it, he is asked? "There is a certain tone that enters the voice," Joll begins to explain, but the involuntary throb of pleasure that envelops the words is all we need to know the man. It's also a masterstroke of technique by Mr. Depp.

It's Mr. Rylance's movie, though, and the story belongs to the Magistrate, whose instinctive reaction

to Colonel Joll and his depravity is to shut it out—he orders the torture victims not only freed but cast away; he wants to shut the evidence of horror from his sight. His reflex is to turn his back, to ignore the obvious and delude himself into thinking things can ever get back to normal, and in doing so he sins, and then repents, by nursing a young vagrant woman (Gana Bayarsaikhan) whose ankles have been broken. He vows to return her to her people, an all-but-fatal miscalculation. And he inflicts his own form of torture on her, by using compassion instead of a club.

Mr. Guerra's hallucinatory "Embrace of the Serpent" (2015) was celebrated for its mostly black-and-white cinematography by David Gallego, but was also about the perversion of religion, and the cruelties of warped evangelism. "Waiting for the Barbarians"—in which cinematographer Chris Menges's work is more subtle, in color, but equally gorgeous—is also making observations of a spiritual nature. The Empire is a soulless entity, of course (viewers should be warned that the violence inflicted is both creative and creatively depraved). But the Magistrate, in his nightly washing of the Girl's wounded feet, is enacting a Passion Play with a Christian subtext, and yet one without redemption on its itinerary. Mr. Guerra, with the author's consent, gives us an ending that wasn't in the book, and suggests a more conclusive ending to the Magistrate's suffering. Mr. Coetzee left fate in the void, which is perhaps where it rightfully belonged.

Mark Rylance and Johnny Depp, above, Robert Pattinson, left, and Gana Bayarsaikhan, far left, in 'Waiting for the Barbarians'

Mr. Anderson is a Journal TV critic. Joe Morgenstern is on vacation.

THEATER REVIEW | TERRY TEACHOUT

A Topical Spin on Shakespeare

PBS continues to present plays and musicals on TV and streaming video that were originally telecast on its "Great Performances" anthology series—wonderful and comforting news for American playgoers whom the coronavirus pandemic has cruelly deprived of the collective pleasure of seeing shows in the theater.

The latest offering is the Public Theater's 2019 Shakespeare in the Park production of "Much Ado About Nothing," which featured an all-Black cast and was directed by Kenny Leon. Mr. Leon is well known to New York audiences for his work on such notable Broadway and off-Broadway revivals and premieres as August Wilson's "Fences," Katori Hall's "The Mountaintop," Lorraine Hansberry's "A Raisin in the Sun," Charles Fuller's "A Soldier's Play" and Lydia R. Diamond's "Smart People" and "Stick Fly." Not only is he the go-to guy for Black writers' plays on Broadway, but he is one of the best stage directors we have—period. A craftsman of something like genius, he specializes in stagings so transparent as to create the illusion that he's doing nothing more than staying out of the way of the script. Part of the illusion arises from the fact that Mr. Leon never distracts you with self-consciously clever touches: All you seem to see is the play itself.

It happens that "Much Ado" is the first classical play I've seen Mr. Leon direct, and since I was unable to catch it onstage in Central Park last summer, I'd been looking forward eagerly to this TV version. Not at all surprisingly, it is a rip-snorting success, a modern-dress update that puts an up-to-the-second Black Lives Matter spin on Shakespeare's text while remaining absolutely true to the play's underlying substance. I see "Much Ado" a fair amount when I'm working the summer festival circuit—it's one of Shakespeare's most popular plays—and I've yet to review a bad staging, but Mr. Leon's production might be the most satisfying version I've covered. Shrewdly conceived, splendidly cast and deftly designed, it makes its political points without diminishing in any way the play's fizzy comic energy.

I don't want to give away too much, so I'll say only that Mr. Leon's "Much Ado" is set in what looks like a Black upper-middle-class suburb of Atlanta (extra credit to Beowulf Boritt, the set designer), that Beatrice (Danielle Brooks) makes her entrance at the top of the show singing "What's Going On," Marvin Gaye's protest anthem, and that Ms. Brooks, best known as a regular on "Orange Is the New Black," owns this production from curtain to curtain. She plays Beatrice as a brassily boisterous you-*go*-girl type who is disinclined to let anyone push her around, least of all Benedick (Grantham Coleman), her stubborn suitor. It's no slight to her colleagues, least of all Chuck Cooper (the great old pro who plays Leonato), to say that whenever Ms. Brooks takes the stage, your eyes and ears go straight to her.

JOSEPH SINNOTT (2)

Margaret Odette, Tiffany Denise Hobbs, Olivia Washington and Danielle Brooks, above, and Grantham Coleman, left, in Kenny Leon's production of 'Much Ado About Nothing'

That's the best working definition of star quality I know, and Ms. Brooks has got it and then some.

I do wish I'd been able to see this "Much Ado" live in Central Park, not only because of the nocturnal midsummer beauty of the 1,800-seat Delacorte Theater, in which Shakespeare in the Park has been performing since 1962, but because the amphitheater-filling scale of the acting is not always ideally suited to small-screen viewing. At the same time, though, the camerawork (the production was directed for TV by David Horn) conveys with life-giving clarity the fact that we are seeing an outdoor show in the presence of a *very* happy audience, one whose delighted laughter and applause bridge the canyon-wide gap that separates solitary home viewing from watching a show live and in person. You'll make the necessary adjustments easily, and from then on you'll be completely caught up in the world of the play.

Seeing Mr. Leon directing a different kind of show from the ones with which he has heretofore been identified set me to thinking: What else might he do were he so inclined? What kind of conceptual spin could he put on such American classics as "The Little Foxes," "Our Town" and "Picnic," or on a comedy by Shaw or Molière—or Neil Simon? For Mr. Leon's "Much Ado" makes clear that he is, like David Cromer, that rarest of theatrical birds, a director whom I'll gladly follow wherever he wants to go.

Much Ado About Nothing
PBS Great Performances (available online through Sept. 11, free, airing on Aug. 14 at 9 p.m.). To watch, go to pbs.org/wnet/gperf/much-ado-about-nothing-full-episode/10194

Mr. Teachout, the Journal's drama critic, is the author of "Satchmo at the Waldorf." Write to him at tteachout@wsj.com.

CLOCKWISE FROM TOP LEFT: JEFFREY GIBSON/SOCRATES SCULPTURE PARK; JENNIE C. JONES/PATRON GALLERY, CHICAGO/CLARK ART INSTITUTE; KIKI SMITH/PACE GALLERY, NY

Jennie C. Jones's 'These (Mournful) Shores' (2020), above; Jeffrey Gibson's 'Because Once You Enter My House It Becomes Our House' (2020), above left; view of 'Kiki Smith River Light,' below left

ART REVIEW

Sculpture Under Open Sky

Outdoor venues and parks offer an idyllic way of again experiencing art in person

By Lance Esplund

Alexander Calder's magisterial, 50-foot-tall painted-black-steel abstract sculpture, "The Arch" (1975), with its billowing whale-tail wing and giraffe neck—poking up like a periscope into blue sky—greets viewers inside the entrance of the Storm King Art Center, in New York's Hudson Valley.

At the Clark Art Institute in the Berkshires of Massachusetts, pasturing bovines graze near Analia Saban's "Teaching a Cow How to Draw" (2020)—a 620-foot-long split-rail cedar fence, handsomely sectioned into diagrammatical drawing lessons: one-point perspective, the golden ratio, the Rule of Thirds.

And at the Socrates Sculpture Park in Long Island City, N.Y., Jeffrey Gibson's enormous, wallpapered stepped pyramid, "Because Once You Enter My House It Becomes Our House" (2020), takes center stage. It is one of the outdoor artworks in "Monuments Now," a timely, cumulative exhibition, being unspooled in three consecutive parts from July through October. Curated by the Socrates' director, Jess Wilcox, it reconsiders the contemporary role of monuments and underrepresented histories.

In late July, I revisited venues in New York and New England that I've seen numerous times before—now mostly to see outdoor sculptures, some of them new, in places that have gingerly reopened to allow for socially distanced outside viewing.

After four months spent looking at art and museums in books and on digital screens—and feeling stir-crazy—I wondered: What would it be like to experience these places in the flesh again? Would they be different? Would I feel safe? And, especially, would it be worth it—with the requisite masks, limited occupancy, reservations and timed ticketing? The answer was a resounding yes.

As always, some of these venues and artworks fare better than others. But, unlike most museums, a sculpture park isn't only as good as the work on view. Art and nature, in tandem, play their parts. Outdoor sculptures must stand out from, blend into, be in dialogue with and compete against their surroundings.

At Storm King, an idyllic, 500-acre outdoor museum dedicated, since 1960, to large-scale sculpture and site-specific commissions, long distances and numerous vistas separate monumental artworks. Each sculpture becomes its own pilgrimage.

Walking to the top of a hill, I was pleasantly surprised, as always, by Maya Lin's earthwork, "Storm King Wavefield" (2007-08). Eleven acres of grassy mounds, it heaves like heavy swells of green sea. Other favorites, including works by David Smith, Isamu Noguchi and Andy Goldsworthy, didn't disappoint. Some even felt new. Tall, windswept wildflowers and grasses, overgrown and trample-free these past few months, have transformed the four hulking steel plates of Richard Serra's "Schunnemunk Fork" (1990-91) into ships' prows, cutting through a waving meadow.

Joining Storm King's suite of sculptures by Mark di Suvero is his nearly 100-foot-tall "E=MC²" (1996-97), on loan until summer 2022. Reaching skyward, as if with outstretched hands, its steel beams call from afar, towering above tree lines, catching light.

Two temporary exhibitions, "Kiki Smith River Light" and "Outlooks: Martha Tuttle," curated by Storm King's Nora Lawrence—aided and overshadowed by surrounding art and nature—don't do quite as well. Noguchi's related, interactive nine-part granite sculpture, "Momo Taro" (1977-78), lends precedent to Ms. Tuttle's casual yet uncompelling arrangements of boulders and piles of cast and carved marble stones; and Calder's generous, jovial abstract organic shapes give life and ballast to Ms. Smith's nearby, unmemorable installation of 10 flags, in blue and sunset hues, flying at full staff.

The Clark's bucolic 140-acre grounds, always open to the public, are reason enough to visit. But right now, I recommend seeing "Lin May Saeed: Arrival of the Animals," a conceptually heavy yet occasionally charming show, curated by the Clark's Robert Wiesenberger. Ms. Saeed's subject is animal rights, and the work, a lot of it painted polystyrene foam bas-relief, though earnest, can be strident. The majority of the exhibition is inside, but one cast bronze sculpture, "Thaealab" (2017)—the best in show—is installed outside. A poised, graceful, catlike creature, it proves that beneath Ms. Saeed's activist exterior is a genuine sculptor.

Currently, only two works—Ms. Saban's "Teaching a Cow How to Draw" and Jennie C. Jones's "These (Mournful) Shores" (2020)—are on view in the Clark's site-responsive, cumulative outdoor exhibition, "Ground/Work." (Four more are planned to be installed by Labor Day.) Guest-curated by Molly Epstein and Abigail Ross Goodman, it's the Clark's first outdoor exhibition of newly commissioned works.

"These (Mournful) Shores"—a minimalist interpretation of an Aeolian harp (its strings strummed by weather and wind)—acts as anchor and endcap to Tadao Ando's 16-foot-tall-by-180-foot-long red granite wall, which borders the Clark's Ando-designed reflecting pools and Fernandez terrace. When the strings of the sculpture—inspired by two of the Clark's Winslow Homer seascapes and the horrors of the Middle Passage—are activated, the landscape sings like a wounded cello.

Less successful were the artworks on view in "Monuments Now" at the five-acre Socrates Sculpture Park in Queens, where art must compete with views of the Manhattan skyline.

When I visited on a hot, cloudless Sunday, the park was very busy. But most weren't looking at the art, opting instead to escape the midday heat and humidity by spending time in the crowded, shady oasis of the park's grove of trees or by the cool, breezy East River. Unfortunately, only two weeks in, nature had already turned the show's opening salvo and centerpiece—Mr. Gibson's brightly colored, psychedelic pyramid with slogans such as "Power Full Because We Are Different"—into bleached placard, if not muted relic. Better weathering the elements is Nona Faustine's "Broadway Billboard: 'In Praise of Famous Men No More'" (2020), in which blurry photographs of monuments to Presidents Lincoln and Theodore Roosevelt have been canceled by heavy lines. Though monotonic, it has graphic punch. All judgments aside, it was rejuvenating to be outside again among sculptures, people and nature, at venues that offer much more than art.

Mr. Esplund, the author of "The Art of Looking: How to Read Modern and Contemporary Art" (Basic Books), writes about art for the Journal.

Weather

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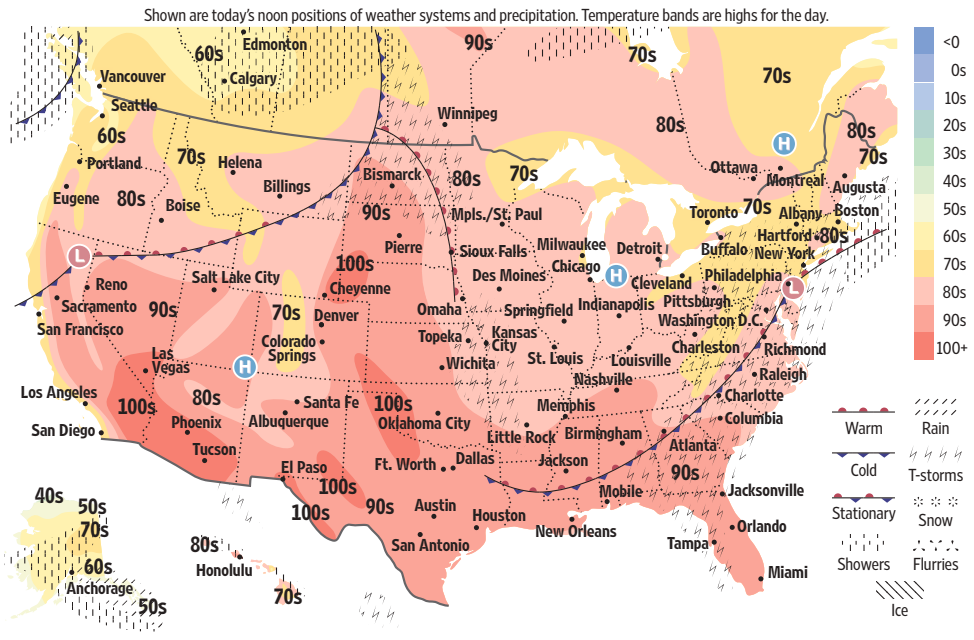
Shown are today's noon positions of weather systems and precipitation. Temperature bands are highs for the day.



U.S. Forecasts

s...sunny; pc... partly cloudy; c...cloudy; sh...showers; t...t'storms; r...rain; sf...snow flurries; sn...snow; i...ice

City	Today Hi	Lo	W	Tomorrow Hi	Lo	W
Anchorage	66	54	c	64	53	c
Atlanta	90	73	s	94	75	s
Austin	99	75	pc	97	75	pc
Baltimore	84	70	t	86	69	t
Boise	85	55	s	89	58	s
Boston	74	65	sh	74	65	t
Burlington	82	64	pc	82	66	s
Charlotte	89	68	t	91	71	t
Chicago	84	64	s	88	70	pc
Cleveland	78	59	s	80	64	s
Dallas	98	79	pc	97	79	s
Denver	97	62	pc	94	63	pc
Detroit	81	61	s	84	66	s
Honolulu	90	78	pc	89	77	pc
Houston	95	74	s	94	76	pc
Indianapolis	80	60	s	85	67	pc
Kansas City	83	71	t	92	75	s
Las Vegas	101	76	s	104	80	s
Little Rock	88	71	c	93	74	pc
Los Angeles	79	62	pc	81	60	pc
Miami	91	79	t	91	79	pc
Milwaukee	79	65	s	80	71	t
Minneapolis	84	72	pc	87	70	c
Nashville	90	67	pc	92	71	pc
New Orleans	94	76	s	93	77	pc
New York City	76	70	t	81	71	t
Oklahoma City	93	76	pc	94	75	s

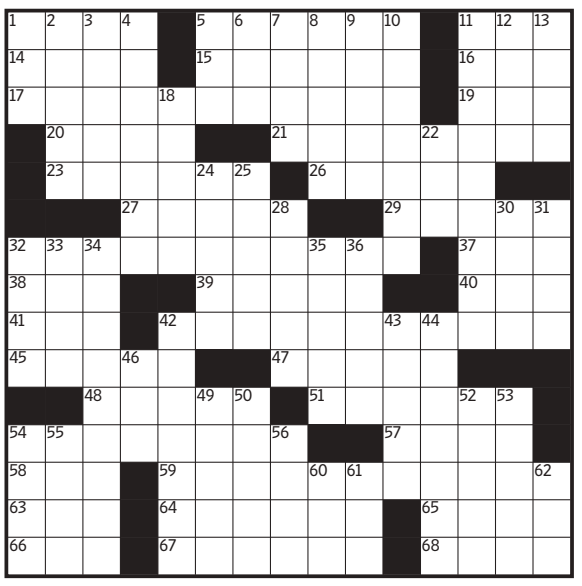
City	Today Hi	Lo	W	Tomorrow Hi	Lo	W
Omaha	85	73	pc	93	75	pc
Orlando	92	74	t	91	73	t
Philadelphia	81	71	t	86	72	t
Phoenix	109	87	s	112	87	s
Pittsburgh	81	61	t	82	60	pc
Portland, Maine	79	63	pc	77	63	pc
Portland, Ore.	78	61	pc	79	57	pc
Sacramento	91	62	s	96	61	s
St. Louis	84	70	pc	88	74	pc
Salt Lake City	94	67	s	95	68	s
San Francisco	72	56	pc	76	56	s
Santa Fe	91	60	t	91	60	s
Seattle	76	60	pc	76	55	pc
Sioux Falls	84	72	pc	91	72	c
Wash., D.C.	84	72	t	87	73	t

International

City	Today Hi	Lo	W	Tomorrow Hi	Lo	W
Amsterdam	89	64	s	90	68	pc
Athens	88	74	t	87	72	t
Baghdad	116	85	pc	116	86	pc
Bangkok	90	78	sh	90	79	t
Beijing	91	71	s	91	72	pc
Berlin	88	69	pc	92	70	s
Brussels	93	67	s	96	71	s
Buenos Aires	55	51	sh	62	57	pc
Dubai	107	92	pc	107	93	pc
Dublin	72	51	c	66	53	pc
Edinburgh	71	49	pc	67	51	pc

City	Today Hi	Lo	W	Tomorrow Hi	Lo	W
Frankfurt	93	66	pc	96	70	s
Geneva	86	62	s	89	65	s
Havana	89	75	pc	89	74	t
Hong Kong	91	81	t	90	82	sh
Istanbul	89	76	s	87	76	s
Jakarta	92	77	pc	91	76	sh
Jerusalem	87	70	s	87	70	s
Johannesburg	58	39	pc	62	44	s
London	93	68	s	90	66	s
Madrid	102	72	s	102	71	s
Manila	87	79	t	88	79	t
Melbourne	55	51	sh	57	50	c
Mexico City	75	55	t	72	55	t
Milan	88	68	s	91	68	s
Moscow	75	56	pc	75	58	pc
Mumbai	87	77	r	86	79	r
Paris	98	68	s	98	71	s
Rio de Janeiro	76	65	s	77	64	s
Riyadh	108	85	pc	110	86	pc
Rome	86	69	s	90	70	s
San Juan	89	80	t	91	80	pc
Seoul	78	74	r	80	74	r
Shanghai	95	80	t	94	81	c
Singapore	89	77	t	87	79	t
Sydney	59	52	r	67	48	pc
Taipei City	97	80	pc	95	79	t
Tokyo	89	80	s	91	79	pc
Toronto	79	60	s	82	64	s
Vancouver	70	58	c	71	54	pc
Warsaw	87	63	pc	87	64	pc
Zurich	84	58	s	86	60	s

The WSJ Daily Crossword | Edited by Mike Shenk



PUZZLE CONTEST

LET'S MOVE BEYOND IT | By Mike Shenk

The answer to this week's contest crossword is a **six-letter word.**

Across

1 Knight crew?
5 Does away with
11 Scammer's target
14 Like much folklore
15 Cheap cigar, in slang
16 The whole lot
17 Queen Mary 2, for one
19 Through
20 Its National University of San Marcos was founded in 1551
21 Sundance Film Festival setting
23 New York site of Mark Twain's grave
26 Fauvist painter Dufy
27 Downloadable periodicals
29 Tip
32 First-day-of-class handout
37 Bitterly regret
38 Material for Bacchus's wreath
39 Lil Jon's music
40 Praiseful poem
41 Phone bill addition
42 Test format
45 Refrain excerpt
47 Word before four or pain
48 Alarmed utterances
51 Postgame shows
54 Workaholic's rarity
57 Medial meniscus location
58 Goddess of the dawn
59 Orinoco River swimmer
63 Parisian pal
64 Busted a gut
65 Orange-nosed, red-furred TV character
66 Timber preserver
67 Biplane parts
68 Ooze

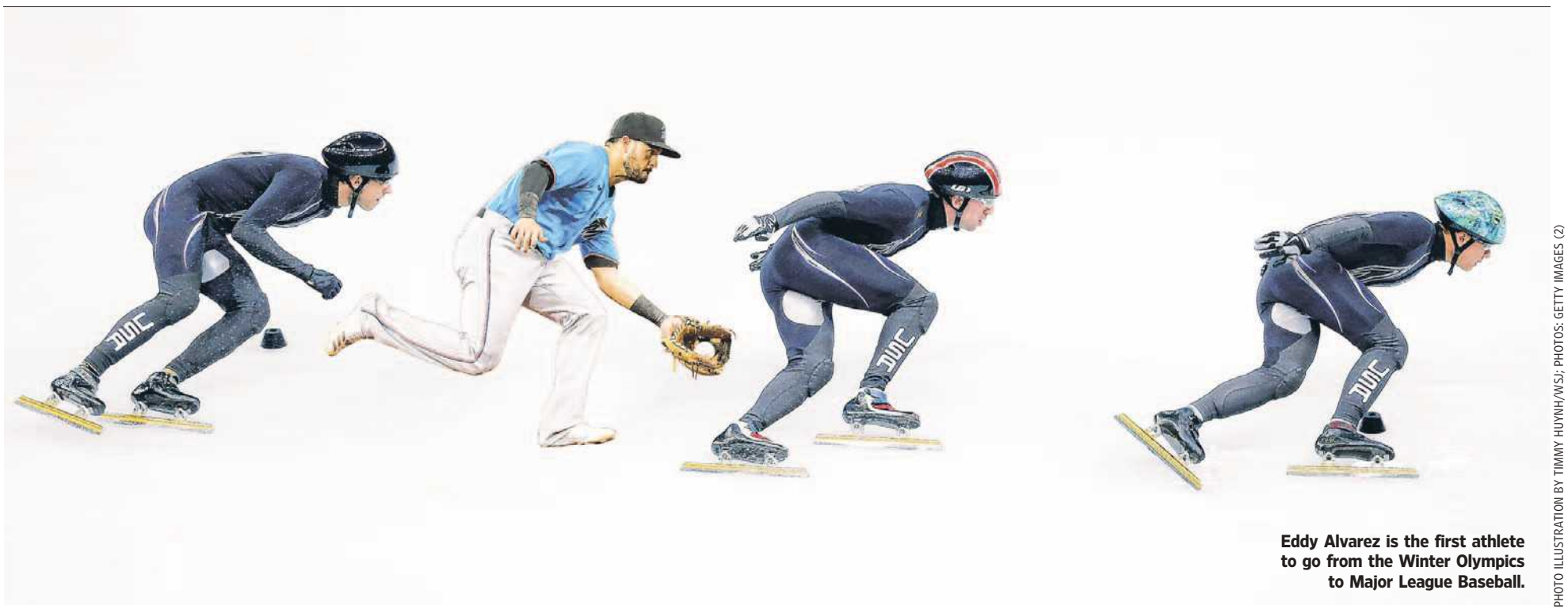
Down

1 Running pro
2 Triumphant cry
3 Popular antidepressant
4 Hung out with the rabble
5 "The Rise of Skywalker" heroine
6 Suffering
7 Tub annoyance
8 Sub system
9 Pons performance
10 Cough up
11 London street famed for bespoke tailoring
12 Stepped down
13 Roll the dice, say
18 "Army of Darkness" director
22 Trophy
24 One might have dirty hands
25 Belligerent behavior, in British slang
28 Soup sound
30 Life class work
31 Bucks, e.g.
32 Falling-out
33 Now or earlier
34 Bridge assent
35 Bury
36 Make figures
42 They treat meat
43 Singer Minaj
44 Postures
46 "To Kill a Mockingbird" writer
49 One who does some banking
50 Lipstick problem
52 "Get Out" director
53 Note from the boss
54 Attainment
55 Setting of il Colosseo
56 Pale brownish color
60 Vietnamese observance
61 Hwys.
62 Cut off

▶ Email your answer—in the subject line—to **crosswordcontest@wsj.com** by 11:59 p.m. Eastern Time Sunday, August 9. A solver selected at random will win a WSJ mug. Last week's winner: Matt Root, New York, NY. Complete contest rules at **WSJ.com/Puzzles**. (No purchase necessary. Void where prohibited. U.S. residents 18 and over only.)

Previous Puzzle's Solution

SPORTS



Eddy Alvarez is the first athlete to go from the Winter Olympics to Major League Baseball.

PHOTO ILLUSTRATION BY TIMMY HUYNH/WSJ; PHOTOS: GETTY IMAGES (2)

He Was a Speedskater. Now He's in the Majors.

Eddy Alvarez, a silver medalist at the Sochi Olympics, made his MLB debut for the Miami Marlins this week

*By **Joshua Robinson**, **Ben Cohen** and **Jared Diamond***

The Miami Marlins were running out of baseball players this week when they reached into the minors and plucked out a 30-year-old rookie who spent most of the past decade playing a sport that is close to the opposite of baseball.

His name was Eddy Alvarez. And his sport required Lycra, ice and zero hand-eye coordination. He was a short-track speedskater.

He raced for the U.S. at the 2014 Olympics and won a silver medal. Then came the truly remarkable part of Alvarez's speedskating career: the part where he quit speedskating to play baseball.

"I heard it all," said Alvarez, who has the Olympic rings tattooed on his bicep. "He's too old. He won't get by Double-A. He's too slow."

It took a pandemic and a coronavirus outbreak that sent nearly two-thirds of the Marlins' roster to the injured list, but Alvarez made his big-league debut on Wednesday, starting both games of a doubleheader against the Baltimore Orioles, one at second base and the other at third. He went 0-for-5.

Those appearances officially made him the first athlete to go from the Winter Olympics to Major League Baseball, according to U.S. Olympic & Paralympic Committee historian Bill Mallon. The last non-baseball Olympian of any kind to participate in the Games and play in the big leagues was Jim Thorpe a century ago. He's known as one of the greatest athletes of all time.

Even though nobody had ever done it before, Alvarez somehow called his shot. When he was 9 years old, he shared his life's fantasy with a newspaper reporter: competing in the Winter Olympics and playing in a World Series.

The Marlins are not exactly favorites to play in the World Series (though they did wake up Thursday morning sitting atop their division). Still, there are few players in baseball history as improbable as Alvarez. And his success in an entirely different sport was just as unlikely.

"A guy from Miami is not a speedskater," said U.S. short-track legend Apolo Ohno.

Alvarez wasn't at first. He got his start racing inline roller skates, before life fell into place for him to chase baseball dreams instead. He went to a Miami high school that was so maniacal about baseball that coach Joe Weber says he rarely even has basketball or football players on his team. "In our school," he said, "baseball players are pretty much baseball players."

Except when they're also speedskaters. But not even a future major leaguer and Olympian was able to handle both sports at once. Alvarez quit skating for three years to focus on baseball. It was the beginning of an extraordinary juggling act involving two sports that have nothing in common.

There were seven or eight potential Division I players on his team, Weber said, and Alvarez wasn't one of them. Then Alvarez turned down a chance to play baseball at a low-level NAIA school. It was time to get back to speedskating.

"I've been coaching a long time," Weber said. "I've never seen a story like this."

There was always something outrageously ambitious about Alvarez, and that audacity helped in short track, where the best skaters have to be calculating, strategic and a little bit crazy.

"He'd be willing to take these massive risks and pass athletes that he probably shouldn't have been passing," Ohno said.

Ohno was one of them. In a World Cup qualifier in the early 2000s, when he was an Olympic champion at the top of his sport, Ohno hit the front of the pack and started cruising. That's when Alvarez, who was 14 years old, dove past him.

"As I pass him back, I look him right in the eyes and give him a look of, 'What the hell are you doing?' " Ohno said. "He was fearless."

> **A solid hitter at every level, Alvarez broke out last season, posting a .323 average.**

Alvarez's nerve was matched only by his tolerance for pain. He skated for years with damaged patellar tendons. When he finally had surgery to repair them, after failing to make the 2010 Olympic team and reconnecting with baseball, doctors counted 12 distinct tears.

His Olympic chance would have to wait until 2014, and when it came, it took him to one of the few sites on earth weirder than an empty Marlins Park: Eddy Alvarez went to Sochi.

If you happened to be an American speedskater, the Sochi Olympics were a mostly miserable experience. The long track athletes were derailed by drama over state-of-the-art Under Armour suits, which they believed slowed them down instead of making them faster. The short track racers ran into a series of calamities that had the U.S. on the verge of not medaling. Alvarez himself slipped in the 500, crashed in the 1,000 and was disqualified from the 1,500.

He redeemed himself in the final event on the last day of short track competition, when the American foursome finished second only to Russia in the men's relay. Alvarez was going home with a silver medal.

Months before his Olympic hopes came true, though, Alvarez had already made the biggest speedskating decision of his life: He was going to quit speedskating.

"When you're in speedskating, you can't have one foot in and one foot out the door," Ohno said. "Eddy recognized that and he was willing to take that risk—to roll the dice on a sport where anything can happen in a 40-second race."

Alvarez had already begun flirting with baseball again. In between the 2010 and 2014 Olympics, as he trained with the U.S. Speedskating team in Utah, he was also the starting shortstop of the nearby Salt Lake Community College baseball team.

He still had one year of junior-college eligibility left when he came back from Sochi. But he was old in baseball years by then. When he reminded his Salt Lake coach that he wanted to play in the big leagues, D.G. Nelson told Alvarez that "wasting a full year with me probably isn't going to help."

Scouts had loved him three seasons earlier, intrigued by his peculiar background, and the Chicago White Sox signed him right after Sochi. He was already 24 when he embarked on a minor-league career that began in rookie ball and would take him to such illustrious franchises as the Kannapolis Intimidators, the New Orleans Baby Cakes and the Birmingham Barons, the former home of another two-sport athlete named Michael Jordan. Every one of his teammates knew about his past wearing lycra.

"It's always the running joke," Alvarez said.

The biggest challenge was reshaping his body. Ballplayers spend careers building upper body strength to swing the bat as hard as humanly possible. Speedskaters deliberately let their upper bodies atrophy. "You're a twig on top and a meatball on the bottom," Alvarez said.

Alvarez started lifting again to become a meatball everywhere. He now owns a gym that is almost certainly the world's only indoor baseball facility with photographs of Olympic speedskaters on the wall. By the time he visited his old high school for batting practice, Alvarez was 30 pounds heavier than he was in Sochi.

"Man, what happened to this little kid?" Weber thought.

A solid hitter at every level, that little kid broke out last season, posting a .323 average with a .978 OPS (on-base plus slugging) in Triple-A. He finished the year as the oldest player on the team who had never appeared in the majors.

It's unclear whether Alvarez would've had this shot if not for the virus outbreak. But when the Marlins lost most of their players, it helped to reach for the guy who also played four positions in the minors—never mind another sport entirely.

"Eddy, it's good to have you," Marlins manager Don Mattingly told him. "You're better than I would have ever thought."

JASON GAY

Nascar Star Has Other Bucket-List Dreams

This isn't the Nascar farewell Jimmie Johnson imagined. The seven-time Cup series champion, now 44, is in the books as one of the best ever, and he's still chasing checkered flags and a playoff run. While the sport was one of the first to return amid the pandemic, Johnson tested positive for Covid-19 in early July. Johnson also was quick to support Nascar and his friend and fellow driver, Bubba Wallace, when the sport banned Confederate flags at events. Here's a conversation with Johnson, who races this weekend at Michigan International Speedway. This interview has been edited and condensed for clarity:

This can't be how you drew up your final season in Nascar, is it?

No, definitely not.

When you tested positive for Covid-19, did that come as a shock?

Without a doubt. I was asymptomatic. My wife [Chandra] was as well. To be asymptomatic has its own complications. To be told that you're sick—and you understand that you have this virus that's very dangerous—but not having any symptoms, and be in isolation, watching your race car compete, watching the world go by, and you feel perfectly fine, it poses its own set of challenges.

These races in these past few months, does it feel like the same thing? At first there were no crowds, and now there are limited crowds.

No, it definitely feels different. The gap closes when you're in the car and competing and focused on the competition side. But from the minute you arrive, to the minute you leave, you can't help but notice the lack of [fans].

What do you love about racing a car?

There is a balance of scaring yourself, controlling that vehicle, finding your way by another vehicle, leading a team, making good decisions. There is a whole experience of competing that leaves me fulfilled. That's what I identified with when I was a young kid. I'm very fortunate, but I'm still a kid at heart, pursuing that passion. That experience is what I'm still chasing.

What made you decide 2020 was going to be your last season?

There was a feeling that showed up and I just knew. A lot of factors play into that. First and foremost, [I was] just ready to slow down some. The grind of the Nascar schedule is really intense. And honestly, I've been in a Nascar vehicle for 21 years now.

Nearly half your life.

By no means has the fire to compete gone out, but I want to do something different. I've spent my earlier years in my career moving quickly through vehicles and series and tracks—to then spend 21 years full time in the same car, same tracks, I'm ready for a change.

You've made it clear you're intrigued in moving over to IndyCar.

You go back to Foyt, Andretti, Parnelli Jones. You get back to that '60s, '70s, '80s era—guys would run the marquee events. Winning a championship was nice, but it was more about the marquee events with all types of cars, all over the world.

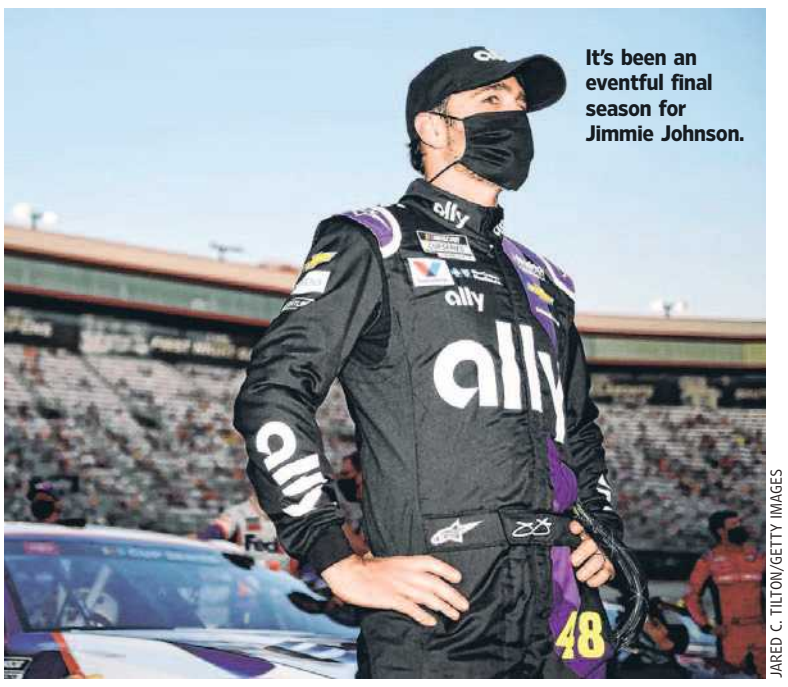
For me...I have this leverage, and opportunity as a seven-time champion, and contacts far and wide, why don't I do what I dreamt of doing when I was a kid? That does include driving an open wheel car. But there's sports car racing, and I also have some other bucket-list dreams of getting back to my roots in some of the big off-road events, too.

Let's talk about your friend, Bubba Wallace. When he came out and he said that it was time for Nascar to retire the Confederate flag at events, and then Nascar made the move rather quickly to prohibit it, you got behind it. Did you have any hesitation?

I didn't. I felt like we were already there. But to have us be all the way there, I'm very, very happy about that. It's obviously a very charged conversation, but history books are a great place for the flag to exist. We need to learn and know about it, but flying at a racetrack, just like flying at a MLB game or an NFL game, it's now prohibited. It shouldn't happen. I feel the same for Nascar.

There was then the situation, of course, with the report of the noose at Talladega. Nascar immediately came out and said that they were investigating a noose that was located at Wallace's garage. And then there was a whole wave of driver support behind Wallace, including a procession on pit road. Later on, Nascar, the FBI, come out and say that, OK, this had been there for months, and it wasn't specifically directed at Wallace. How do you feel about that entire episode now?

Yeah. I'd say, first and foremost, I'm relieved to know it wasn't a hate crime. I truly believe that was the reaction in the garage area. It doesn't change my support for Bubba, and I don't think [it does] for the drivers and the crew members that walked in the procession.



It's been an eventful final season for Jimmie Johnson.

JARED C. TILTON/GETTY IMAGES

I think we learned a couple of things. The press release that went out, if the word "alleged" was put in front of noose, it would have really helped the situation there, because when the FBI showed up, and thankfully they did, and they moved so quickly...once we learned about how long the noose had been there, it just opened us up for the naysayers to jump in and do their thing.

But if you take the time to read the report and understand the report, the FBI still calls it a noose. So "alleged" would have really helped our situation there, but it doesn't change the position of the people that participated in the procession down pit road.

Did you worry about Bubba?

Without a doubt, yeah. I was checking in with him as often as I could. I'm trying to remember the race we had around all of that. He got out and was just physically taxed. He was quizzing me about hydration and nutrition. And I was like, "Man, stress is stress. I'm not sure if you understand the implications of stress on the system, and what you've been through. Your body could have been depleted and behind before you ever got in a race car." It did take a toll on him.

What do you think you're going to miss the most about Nascar?

The people. We are a big traveling family. When you get within your organization and your team, there's just a bond there that is so special. There's nothing like a professional bond with teammates, especially people that travel and spend so much time together. It really becomes your second family. That part is what I'll miss the most.

OPINION

The Biden Bait-and-Switch

By Bobby Jindal

Joe Biden is attempting to replicate Nancy Pelosi's successful 2006 midterm strategy of making the election a referendum on an incumbent Republican president mired in controversy rather than offering a compelling alternative vision. But voters should consider the choice: Mr. Biden quietly promises to be the most radical president in U.S. history.

The parallels to 2006 are clear: George W. Bush faced the aftermath of Katrina and Iraq; Donald Trump is blamed for the coronavirus and the violence plaguing America's cities. Mrs. Pelosi kept her Democratic troops out of the way, as the saying goes, when their enemy was in the process of destroying himself; Mr. Biden hides in his basement and keeps the focus on Mr. Trump.

Mr. Biden reassures voters that Mr. Trump is an aberration and denies the need for them to consider, much less address, the legitimate frustrations that caused so many "deplorables" to support him. Voters weary of lurching from one sensational crisis to the next are promised a respite. The international condemnation, Twitter tirades and polarization can be swept away simply by voting for inoffensive, bland Mr. Biden.

Media coverage of the nation's standing would change dramatically after a Biden victory, even if the reality does not. Mr. Biden promises increased federal coronavirus spending, but as president he couldn't override governors' authority to restrict economic activity, and he doesn't propose to alter Mr. Trump's program to accelerate vaccine and treatment development. With Mr. Trump embracing masks and trillions in federal spending, and high case totals in blue California and red Florida alike, a Biden victory wouldn't change the epidemic's trajectory. Yet, as the media hailed Gov. Andrew Cuomo despite his disastrous policy of transferring coronavirus patients into nursing homes and New York's record high deaths, Mr. Biden's election would also miraculously transform the virus from an existential threat into a manageable hindrance.

He runs on normalcy and nostalgia while quietly promising to enact radical policies.

Mr. Biden, liberal activists and the media are holding the country hostage, threatening voters with exhausting crises, refusing to reopen schools and the economy, and filling the streets with violent protests. Normalcy, they claim, is only a vote away. Given Mr. Biden's affable personality and lack of a radical record, it is tempting to hope he would bring temperance to the White House and allow the country to exhale and heal.

Yet while Mr. Biden is no radical, he is also no steadfast moderate. He has reversed his own long-held positions as the Democratic Party has moved dangerously left. His one enduring belief seems to be the importance of his election. Mr. Biden would turn the country toward the same radical goals espoused by Bernie Sanders in Medicare for All and the Green New Deal, but he would simply take longer to get there.

Rather than making the traditional move to the center after he secured the nomination, Mr. Biden has continued to move left. He seems more worried about persuading Mr. Sanders's supporters to turn out than convincing Mr. Trump's voters to consider a moderate alternative. Mr. Biden embraced identity politics by promising to name a female running mate. Anticipating a sweep of Congress, Democrats have announced their support for abolishing the Senate filibuster and pay-as-you-go rules. Democrats covet these new powers for the majority not to pursue moderate bipartisan policies. They would likely try to expand the courts, grant statehood to the District of Columbia, restrict gun ownership, give unions more power, and ease immigration restrictions and their enforcement.

Mr. Biden abandoned his decades-long support for the Hyde Amendment, restricting federal funding for abortion, and promises to force the Little Sisters of the Poor to provide employees with insurance for contraception, including abortifacients. He proposes expanding ObamaCare to include a government-run plan, more subsidies and more government control over drug prices. The party platform explicitly welcomes Medicare for All supporters for the first time; the tent is big enough to include single-payer advocates, but not pro-life Democrats.

Mr. Biden's platform rejects regime change in Iran as a foreign-policy goal, and, unlike the 2016 document, opposes expansions of Israeli settlements. Last year Mr. Biden promised to spend $1.7 trillion over 10 years on the environment and infrastructure; he recently increased that to $2 trillion over four years. He has accelerated his timeline for a carbon-free power sector to 2035, and wants an emission-free economy by 2050. He promises to increase corporate, payroll, income, capital gains, and other taxes by a record-breaking $3.8 trillion over the next decade. Hillary Clinton wanted only $1.1 trillion.

The media portrays Uncle Joe as a familiar face, reliable statesman, and known quantity in contrast with the volatile Mr. Trump. In reality, he promises to be the most liberal president in history. Voters seeking a return to normalcy would get a radical new future instead.

Mr. Jindal was governor of Louisiana, 2008-16, and a candidate for the 2016 Republican presidential nomination.

Kimberley A. Strassel is away.

When Muslims Leave the Faith

HOUSES OF WORSHIP
By Daniel Pipes

Conversions involving Islam sometimes look like a one-way street in the West. Famed new believers like Kareem Abdul-Jabbar and Keith Ellison seem to get all the attention—along with flamboyant flirts like Lindsay Lohan. But those who leave Islam may ultimately influence the faith more than converts do.

There are about 3.5 million Muslims in the U.S., according to a 2017 Pew Research Center survey. The data suggests that about 100,000 of them abandon Islam each year, while roughly the same number convert to Islam. Altogether nearly a quarter of those raised in the faith have left, with Iranians disproportionately represented. Similar trends prevail in Western Europe, where conversions in and out of Islam appear roughly to balance out.

In the U.S., ex-Muslims' motives for leaving vary. Asked what their "main reason" was for no longer identifying as Muslim, Pew found 25% had general issues with religion and 19% with Islam in particular. Some 16% said they prefer another religion, and 14% cited "personal growth." More than half of them abandon religion entirely, and 22% now identify as Christian.

Apostates challenge their former faith in three principal ways: publicly leaving, organizing with other ex-Muslims, and openly challenging the Islamic message.

Overtly apostatizing is a radical act that can lead to execution in some Muslim-majority countries, including Iran. Even in the West, apostates often meet rejection by families and friends that can turn violent. Accordingly, conversions out of Islam tend to be cautious or hidden, as in the cases of British author Salman Rushdie and pop star Zayn Malik.

Yet other converts make a point of leaving publicly and encourage others by their example—even if it places them at great risk. The activists Nonie Darwish and Ayaan Hirsi Ali wrote books about becoming "infidels." In 2008 the Egyptian-Italian journalist Magdi Allam was baptized by Pope Benedict XVI in a widely televised ceremony.

Some ex-Muslims living in the West do something inconceivable in Muslim-majority countries: They publicly organize against Islam in dozens of groups like Germany's Central Council of Ex-Muslims and Ms. Darwish's Former Muslims United. Such organizations also provide mutual support in the face of intense hostility and raise troublesome issues—with female genital mutilation among the most prominent in recent years—thereby becoming some of the most credible critics of Islamism.

Ex-Muslims living in the West have developed an impressive reach into traditional Muslim communities in their countries of origin. Through books, radio, television and especially digital platforms, they spread savvy messages in Arabic and other local languages. They denounce Islam and help atheists flee to the West. Converts to Christianity often engage in religious disputation or eloquently explain their spiritual voyages.

Open apostasy can be dangerous, but those who risk it have an impressive reach.

Converting, organizing, proselytizing—thus do vocal ex-Muslims in the West send shock waves to their countries of origin, especially where Islam is historically protected by custom from criticism or even irony, or where repression and punishment render anti-Islamic views illegal. Anxious authorities ban Christian proselytizing and censor ex-Muslim voices. They sometimes connect this movement to a "Zionist conspiracy," though such efforts tend to be ineffectual.

A poignant anonymous letter from Karachi, Pakistan, to London's Observer during the peak of the "Satanic Verses" controversy in 1989 shows the inspiration of one ex-Muslim's message. The writer replied to Ayatollah Ruhollah Khomeini's call to murder Mr. Rushdie because the novelist wrote disrespectfully about Muhammad:

"Mine is a voice that has not yet found expression in newspaper columns. It is the voice of those who are born Muslims but wish to recant in adulthood, yet are not permitted to on pain of death. Someone who does not live in an Islamic society cannot imagine the sanctions, both self-imposed and external, that militate against expressing religious disbelief," the would-be apostate wrote. "Then, along comes Rushdie and speaks for us. Tells the world that we exist—that we are not simply a mere fabrication of some Jewish conspiracy. He ends our isolation."

With passion and unique authority, ex-Muslims push believers to think critically about their faith. As these boisterously opinionated apostates challenge their birth religion, they help modernize it and reduce its grip. Their efforts have substantially contributed to the trend of Arabic-speaking Muslims who appear, according to the Economist, "to be giving up on Islam." The ex-Muslims' role has only just begun.

Mr. Pipes is president of the Middle East Forum.

The Democrats Biden Doesn't Want

By Kristen Day
And Xavier Bisits

Joe Biden would be the most pro-abortion president in history. Although he was once a moderate, the Catholic former vice president now describes abortion as "essential health care," caved in to the abortion industry on taxpayer funding, and has been proudly endorsed by Naral Pro-Choice America, an organization that advocates for the repeal of all regulations on abortion.

Democrats weren't always like this. President Clinton gave the party a platform promising to make abortion "safe, legal and rare." President Obama allowed our organization to testify before the party's platform committee and supported our plan to reduce abortions with the Pregnant Women Support Act, which became law as part of the Affordable Care Act.

According to Gallup, roughly 1 in 3 Democrats consider themselves pro-life, but Mr. Biden has made no outreach to us. In fact, top Democrats have gone out of their way to make it clear that we are no longer welcome in the party. The leading calendar for events at the coming Democratic convention refused to advertise our group's event and, unlike in 2016, the DNC has ignored our request to testify to the platform committee.

We're liberal and we're pro-life. The party refuses even to ask for our votes.

When we asked Pete Buttigieg in January whether he supported the inclusion of pro-life Democrats in the party, he was evasive. Vice President Mike Pence, shortly thereafter, explicitly appealed to pro-life Democrats: "You have a home in today's Republican Party."

A sizable share are pro-life Democrats are people of faith. The Biden campaign has focused little of its energy on wooing such voters. The much-hyped group Believers for Biden is a bona fide flop: It had only 26 followers on Facebook a week after being created. Its launch event on Zoom was poorly attended and featured a prayer touching on "reproductive justice." These efforts are in contrast with those of the Obama campaign, which many religious leaders praised for its earnest attempts at outreach and dialogue, especially to pro-life voters of faith.

As pro-life Democrats and enthusiastic supporters of Black Lives Matter, we won't vote for Donald Trump. His appalling record on racial justice, the environment and workers' rights goes against everything we stand for. We are liberals and feminists, not Republicans in sheep's clothing. We don't want Mr. Trump to win. We want to save the party we consider our home.

But we are caught between Mr. Trump's destructive economic and social agenda and the inconsistency of the modern Democratic Party, which fights for the lives of children at the border, but not the lives of children at risk of dismemberment in the womb. The Democrats of 2020 will barely give a thought to policies that make it easier for women to choose life, such as government-funded hospital care for women giving birth, or palliative care for infants with prenatal diagnoses. Such policies, previously central to Democratic values, violate the core tenet that "abortion is normal."

America's 21 million pro-life Democrats face a choice between staying home, risking four more years of Donald Trump's destructive agenda, and voting for Joe Biden, a candidate who snubs us and our values. We would love to vote for Mr. Biden, but if he wants our vote, he will have to earn it. And if he can't earn it, he should at least ask for it.

Ms. Day is executive director and Mr. Bisits a board member of Democrats for Life of America.

BOOKSHELF | By Dave Shiflett

High Rollers In Hot Springs

The Vapors

By David Hill
(Farrar, Straus and Giroux, 382 pages, $28)

Among the various sources of hope—religion, lottery tickets, discount liposuction—few can clean out a bank account quicker than a night at the casino. A vignette from David Hill's "The Vapors" makes the point. It was Easter Eve, 1964, the final night of operation for the Vapors, a top-drawer casino in Hot Springs, Ark. Jerry Van Dyke was the night's entertainment, but the main draw was a last shot at gambling glory. One eager customer burned through a stack of $25 chips, followed by five $100 bills. Undeterred by his lunge toward insolvency, he reached for the family checkbook. His wife suggested it was time to leave. "Honah," he said, in words captured by a reporter from the Saturday Evening Post, "weah not goin'. 'Cause after tonight, it's all ovah." One assumes he would have traded the missus for a line of credit had the option been available.

Such was the spirit that made Hot Springs a hotbed of gambling and related "vice," according to Mr. Hill, a Hot Springs native and journalist. J. Edgar Hoover, who knew vice inside-out, believed that "Chicago in its Capone era didn't have a thing on Hot Springs."

Mr. Hill's fascinating portrait of Hot Springs in its heyday covers 1931 through 1968 and includes many of that era's rogues and A-listers: Meyer Lansky, Liberace, Babe Ruth, Fidel Castro, and even Bill Clinton and his mother, Virginia. (Other relatives owned the local Buick dealership.) But much of the story is told through the lives of three lesser mortals: Owney Madden, a New York gangster who had owned the Cotton Club in Harlem before heading south to Hot Springs; Dane Harris, a local entrepreneur who became the city's unofficial gambling czar; and Mr. Hill's grandmother Hazel, whose luck in Hot Springs toggled between bad and abysmal.

Madden, Mr. Hill tells us, had helped launch the careers of Duke Ellington and Mae West. He also did nine years in Sing-Sing for killing a gang rival and one more year after Madden's hired gun ventilated a competitor with 60 bullet holes. But the dapper expatriate Brit was also respected in the wider world. "When you wanted anything in New York," Ed Sullivan said, "you saw Owney Madden." His pursuit of the American dream, and desire to exit New York, took him to Hot Springs in the early 1930s. He married the postmaster's daughter and teamed up with Dane Harris, who had high hopes for the evolving gambling scene. Before it was over, some five million annual visitors wagered hundreds of millions of dollars in the town's casinos. Not bad for an industry that was, legally speaking, illegal.

Mr. Hill depicts a town that was a warm home to Baptists and heathens alike, with the more accomplished of the state's political leaders appealing to both groups simultaneously. Gov. Orval Faubus, backed by evangelicals and a liquor magnate, proved adept at receiving both communion and bribes. Other notables with greased palms included Arkansas Sen. John McClellan, whose Senate Select Committee on Improper Activities in the Labor or Management Field was investigating gambling interests. Madden and Harris bought the senator's wife a new Buick and ordered 15,000 copies of his book, "Crime Without Punishment."

Millions of annual visitors wagered hundreds of millions of dollars in the town's casinos. Not bad for an industry that was, legally speaking, illegal.

Despite the slippery political atmosphere, Hot Springs couldn't escape the era's social friction. Racial tensions rose after Faubus sent National Guard troops to stop the integration of Little Rock's public schools. Anti-gambling reformers, who rarely rested, found a powerful ally in U.S. Attorney General Robert Kennedy, whose relentless investigations sent Madden into a divine funk. "Jesus, Mary and Joseph," he complained. "I was in partnership with his father back in the bootlegging days. How could he do this?"

Mr. Hill is dismissive of Baptists and other "Bible belt simps" but has deep sympathy for his long-suffering grandmother. Hazel Hill got a rough start when her father, a horse trainer, sold his car to a local yokel and left town. Hazel, then 16, was part of the deal. She was soon married and descended into drug and alcohol addiction, her husband eventually graduating to drinking after-shave and turpentine before drowning in a lake. Hazel worked odd jobs, some in the casinos, and often found little time for parenting.

Mr. Hill tells a lively tale, reminding us that it's a lot more fun reading about vice than virtue. Minor characters include a bootlegger who took an order from a group of prisoners, then broke into jail to deliver the goods. In Las Vegas, a hitman made a name for himself with his blowtorch and decapitation skills. Jack Ruby wanders into the story, having entertained Hot Springs bigwigs at his nightclub in Dallas.

The Vapors, named for the steam that rose from local hot springs, opened in 1960. It boasted 80 slot machines and an array of gaming tables, plus an entertainment lineup that included Mickey Rooney, Phyllis Diller and the Smothers Brothers. Bill Clinton's mother loved the Vapor vibe, but Bill (then a teenager) didn't feel "comfortable" the night she brought him along and went home early.

As it happened, the casino's discomfort level would soon go through the roof. In January 1963 it was bombed, leaving one person dead and 14 injured. Harris's house was later blasted, and he grew weary of dishing out upwards of $30,000 a month in bribes. Meanwhile, Kennedy was keeping up the heat, and Faubus declared a gambling shutdown. It was curtains time.

When the final revelers exited the Vapors on Easter morning, 1964, they encountered a horde of Baptists singing "The Old Rugged Cross." The town was changing. Liquor by the drink was banned. Hazel ran off with a carnival man, and the Vapors, after housing a series of failed ventures, was resurrected as a church.

Mr. Shiflett posts his original music and writing at Daveshiflett.com.

Coming in BOOKS this weekend

Richard Hofstadter's midcentury America • A Klansman in the family • Insects & their gifts to mankind • The myths & the stigma of leprosy • Nathalie Sarraute: Uprooted by the 20th century • Sam Sacks on new fiction • & more

OPINION

REVIEW & OUTLOOK

Gunning for the NRA

New York Attorney General Letitia James filed a lawsuit Thursday calling for the dissolution of the National Rifle Association, and you have to smile at her audacity. The suit claims to speak for millions of donors it alleges were cheated by the NRA's self-dealing executives. But how does dissolving the nonprofit deliver relief or justice to gun-rights donors or their cause?

Her death-penalty remedy gives the political game away.

The death-penalty remedy is one hint that there might be some politics going on here. Another is that the lawsuit arrives, after an 18-month investigation, a mere three months before an election when Second Amendment rights will be an important issue. How better to neuter a major opposition political force than to tell its donors they've been fleeced?

Ms. James's investigators have assembled some damning facts—if they're true. The 164-page suit accuses NRA chief executive Wayne LaPierre and others of violating their fiduciary duty by spending donated nonprofit funds on themselves and "a close circle" of NRA staff, board members and vendors.

"The effect has been to divert millions of dollars away from the charitable mission, imposing substantial reductions in its expenditures for core program services, including gun safety, education, training, member services and public affairs. During the period 2015 to 2018, the NRA has reported a reduction in unrestricted net assets by $63 million," the suit says.

The professed concern for the NRA's "charitable mission" and fraught financial condition is an amusing touch coming from Ms. James. In a 2018 interview with Ebony magazine, she said that while the NRA holds itself out "as a charitable organization," it really is a "terrorist organization."

Mr. LaPierre and the NRA deny the charges. But allegations of financial shenanigans first arose from other NRA officials, including former president Oliver North, who was ousted in 2019 in a power struggle with Mr. LaPierre. There's no doubt Mr. LaPierre did not live a pauper's life as the leader of an ostensibly nonprofit charity.

But if the charges are true, the victims are the donors. They presumably gave to the NRA to protect their right to bear arms. If they have been harmed, the solution should be some form of restitution and repayment, plus a ban on the officials from serving as a fiduciary at the NRA or any other nonprofit. As Cato Institute senior fellow Walter Olson puts it, dissolving the NRA would hurt the group's donors by denying them the institutional voice they chose to represent their views on gun rights.

But asking Mr. LaPierre and his mates to pay the money back isn't exactly a headline grabber. And ousting the LaPierre tong merely means another group would be running the place in a few weeks or months, perhaps in more effective fashion. That doesn't help the progressive gun-control cause. So dissolution it is.

Ms. James will no doubt receive media hosannas for "standing up" to the NRA, which progressives have long portrayed as some unbeatable dark and nefarious political force. But the reason the NRA has power, if it still has any, is because it represents millions of Americans who believe in the Second Amendment. They tend to vote, and many of them consider gun rights their most important issue.

If the suit succeeds, and the NRA is dissolved, some other group or groups will take its place—let's hope with better management.

So Much for Trump's Trade Promise

With his re-election on the ropes, President Trump has returned to his favorite household remedy: tariffs. On Thursday Mr. Trump said he is reimposing a 10% tariff on Canadian aluminum, which had been lifted ahead of last year's United States-Mexico-Canada Agreement (USMCA).

He slaps Canada with a 10% aluminum tariff despite the USMCA.

"Canada was taking advantage of us, as usual," the President said during a visit to a Whirlpool factory in Ohio. "The aluminum business was being decimated by Canada, very unfair to our jobs and our great aluminum workers." Strange that he should choose Whirlpool to make the announcement.

The appliance manufacturer in 2018 complained that the President's Section 232 steel and aluminum tariffs had significantly raised production costs. The company was able to offset some of the higher costs by raising prices, but it might not be able to run consumers through another price-hike cycle during the pandemic.

As a flashback, in May 2019 Mr. Trump exempted Canada from his Section 232 tariffs on aluminum and steel to ease the passage of the USMCA. But the agreement let the U.S. reimpose 10% tariffs if Canadian imports surge "meaningfully beyond historic volumes of trade over a period of time." Protectionists in the White House have now invoked this provision.

U.S. Trade Representative Robert Lighthizer told the Senate Finance Committee in June that Canadian steel and aluminum imports have risen "substantially." Aluminum imports are higher than a year ago, but first-quarter imports of primary aluminum this year were slightly lower than first-quarter imports in 2017, according to Census Bureau data. Imports of primary aluminum from Canada for the first six months of 2020 were nearly 5% lower than during the same period in 2017.

The real problem is that manufacturing has declined worldwide during the pandemic. The secretary general of the International Aluminum Institute has predicted a 5.4% drop in global aluminum demand this year compared to 2019. This has depressed prices, which fell 16% year over year in the second quarter though they're rebounding as manufacturing revives.

The tariffs are another case of the Administration playing political favorites. The American Primary Aluminum Association, which represents two aluminum producers, Century and Magnitude 7 Metals, sent a letter to Mr. Lighthizer in May calling for the reinstatement of tariffs on Canada. The U.S. has only six primary aluminum smelters.

Yet 97% of U.S. jobs in the aluminum industry are in downstream production or processing. The tariffs will raise costs for them as well as end-users like beer companies and auto makers. A Federal Reserve paper noted last December that Mr. Trump's Section 232 and 301 tariffs in 2018 were associated with lower manufacturing employment and higher producer prices.

The pandemic's uncertainty has burdened businesses, and border taxes won't help. If the U.S. walks back on its trade commitments, how can it criticize China for doing the same? The aluminum tariff is Mr. Trump at his policy worst: He hurts U.S. industry and consumers, while telling America's friends that his word on trade can't be trusted.

Belarus on the Brink

Belarussian dictator Alexander Lukashenko is facing the most serious challenge to his quarter-century rule, but he won't leave without a fight. Instability in the country of 9.5 million could open another front for Russian aggression along the European Union's border.

Mr. Lukashenko prevented several rivals from running in this Sunday's presidential election. But Svetlana Tikhanovskaya, the wife of a banned candidate, has presented a surprisingly robust challenge. Tens of thousands have attended rallies to support Ms. Tikhanovskaya, who is running on pro-democratic reforms that would bring Belarus closer to the West. She also promises to resign after six months and order a fresh election.

Like Russia's Vladimir Putin, Mr. Lukashenko rules as an authoritarian but tries to derive legitimacy from unfair elections. Both men have seen their once genuine popularity decline thanks to economic mismanagement, frustration with curtailed political freedom, and especially a bungled response to the Covid-19 pandemic. Like his Russian counterpart, Mr. Lukashenko won't accept any outcome but victory in rigged elections.

Independent observers have been detained while documenting thousands of election-law violations in early voting. If opposition supporters feel they've been robbed, as they almost certainly will, expect protests. Mr. Lukashenko won't hesitate to violently suppress dissent, but the depth of public disdain means the demonstrators won't back down easily.

The unfortunate reality is that widespread demonstrations can't succeed without support from the country's elites, something Mr. Lukashenko understands. "Don't you dare betray me," the insecure leader told his *nomenklatura* earlier this week. "Betrayal won't be forgiven even in heaven. If you're not capable or ready, step aside." The U.S. and European Union should warn public officials and businesses that they will face travel and financial sanctions over support for a crackdown.

Moscow remains the wild card. As a buffer between the West and Russia, Minsk has played each side against each other to its advantage. The incumbent's independent streak sometimes annoys Mr. Putin, but Russia prefers him over Ms. Tikhanovskaya. If Mr. Lukashenko loses control, a covert Russian military deployment is possible. The recent arrest of 33 alleged Russian mercenaries in Minsk wasn't encouraging.

German Chancellor Angela Merkel has fought to deepen Europe's energy dependence on Russia, while French President Emmanuel Macron dreams of turning Mr. Putin into a geopolitical partner. This mix of cynicism and naiveté encourages Russian aggression, whereas a unified U.S.-European threat of greater economic isolation would cause Mr. Putin to think twice about another military intervention.

Washington and Brussels can't control what happens in Belarus, but statements of "deep concern" aren't enough. Elites in Minsk and Moscow need to know they will face serious costs for obstructing the democratic will of the Belarussian people.

LETTERS TO THE EDITOR

Language, Race and the Totalitarian Impulse

Regarding Andrew A. Michta's "The Captive Mind and America's Resegregation" (op-ed, Aug. 1): I experienced the manipulation of words under Communism in Poland. But why has democratic America become so vulnerable to "correct speak," something which in the end didn't succeed even in beleaguered Poland?

The process began in the 1970s, as historians rejected a heroic view of the American past, preferring one resembling a police blotter—a catalog of crimes. But I don't believe that today's self-negating language is the result of an objective downturn in American civilization.

On the contrary, it is an expression of Maslow's hierarchy of needs: Having transcended basic needs and achieved material prosperity, a large segment of society indulges in risk-free, luxury ethical expression about "systemic oppression." Sitting at the top of this segment of our population are the mandarins. These aren't Christians thrown to the lions for their beliefs, but a secure elite enjoying wealth, power and the self-gratification of cheap, thoughtless humanism.

JACK KACZOROWSKI
Los Angeles

Mr. Michta writes that totalitarianism replaced "ordinary human language, in which words signify things in the outside world, with ideologically sanctioned language, in which words signify the dominant party's ever-changing ideas of what is and is not true." The present "woke" attempt at cultural revolution is even more insidious than that. Rather than change what words are sanctioned, it changes the meaning of language itself.

In such a paradigm, 2+2 can be made to equal 5, or any other value, by manipulating the symbols. By changing the meanings of "2" or "plus," strange as that may seem, 2+2 can come to mean anything. It is this flexibility that woke activists seek. They have already made use of it with common terms such as "racism," "diversity" and "inclusion," which we can neither escape nor use on our own terms. Established meanings have already been replaced with intentionally unclear new ones.

JAMES LINDSAY
Knoxville, Tenn.

Mr. Michta's hyperbolic article warns that the U.S. faces "a stark binary choice. Either we push back against the unrelenting assault of the neo-Marxist narrative, or we yield to the totalitarian impulse now in full view in our politics." Pushback, he writes, "starts with the simple act of calling things by their proper names."

He fails to follow his own good advice. "Neo-Marxist narrative" isn't a useful description of the American left's ideas. Calling them "Marxist" invites us to see them as foreign and unworthy of consideration. "Totalitarian impulse" shuts down any attempt to understand what's going on.

"These ideologues have nearly succeeded in remaking our politics and culture," he writes. As one of them, I can assure you I didn't spend my career as a historian pushing for some kind of totalitarian system, and I doubt most other academics have devoted themselves to such a project.

A final note: Mr. Michta believes "current radical trends carry the seeds of violence unseen in the U.S. since the Civil War." He must not remember the late '60s and early '70s.

MICHAEL D. RICHARDS
Purcellville, Va.

Brought up during the 1950s and '60s in Atlanta, where segregation and discrimination were to be found in the most mundane rest-stop bathroom and diner, and having witnessed the incredible progress made ever since, I am shocked to hear calls to return to those days when winners and losers were chosen based on race.

This civil-rights regression, combined with a regression on free speech and civil dialogue, reflects a terrifying willingness to replace liberal democracy with mob rule. It is important to recognize self-identified progressives as regressives, people who know what you can and cannot say, and who brook no dissent.

JEFF ROSS
Pasadena, Calif.

In "The Road to Serfdom" (1944), the economist Friedrich Hayek observed that American students studying in Europe in the 1930s returned home "uncertain whether they were communists or Nazis and certain only that they hated Western liberal civilization." He saw the elevation of social justice over "merely" formal justice and the rule of law, and the common good over individualism. He also noticed the perversion of the concept of privilege, as people were convinced that private property was a privilege because only some succeed in attaining it.

Seventy-five years after our Greatest Generation turned back the tide of totalitarianism, their descendants are falling for the same siren song of collective salvation. From Mr. Michta's vantage point in the Bavarian Alps, the unsettling question is: How can America help secure world peace when it doesn't secure its own cities and may no longer have the desire to secure its flawed but world-best republic?

CHRIS DAVIS
Jacksonville, Fla.

America Hasn't Abandoned Defense Research

David P. Goldman argues that the decline in federal research-and-development spending since the 1980s is one reason the U.S. is falling behind China ("What China Learned From Cold War America," July 25). This is unconvincing on several counts.

First, the fall in federal R&D as a share of gross domestic product is due entirely to the defense component. Nondefense federal R&D as a share of GDP is virtually the same as it was 35 years ago.

Second, the fall in defense federal R&D as a share of GDP is due to economic growth, not a fall in research spending. Federal defense R&D in real terms is about the same as it was in the mid-1980s. And it isn't obvious that defense R&D needs to grow as fast as GDP. A given amount of real dollars today should buy the same amount of technical progress as they did in the mid-1980s.

Third, government R&D crowds out more efficient private research spending. If anything, the fall in federal R&D should be good for technical progress.

There is no easy way to determine the right amount of R&D spending. But simply looking at the amount of spending as a share of a growing GDP isn't informative of much.

JOHN J. SEATER
Professor of Economics, Emeritus
North Carolina State University
Walpole, Mass.

A Swedish Reminder of the Hidden Cost of Single-Payer

I hope that every voting senior gets to see the last two sentences in the penultimate paragraph of your editorial "The World's Covid Resurgence" (July 29). In Sweden, this part begins, "two-thirds of deaths have been among those over age 80, and 97% never received intensive-care treatment." Under the rationing rules used by the Swedish socialized health-care system, these seniors with Covid were denied the treatment they needed. Those words should strike terror—or at least significant unease—in the hearts of all who would vote for Joe Biden, the man who has proclaimed that he will be the most progressive president the U.S. has ever had. Yes, Mr. Biden's plan doesn't include "Medicare for All" today, but the stated progressive goal on health care is a single-payer, government-run system. And Mr. Biden has been known to change his strongly held beliefs at the least sign of political pressure. Who wants to bet that "death panels" won't come to America?

JOHN GARVEY JR.
Reynoldsburg, Ohio

Drink to Reform: Raise the Voting Age in America to 21

I agree with David Gelernter ("Eighteen Is Too Young to Vote," op-ed, July 29) about changing the voting age, but why not propose a trade? Let the 18-year-olds drink alcohol, and in return they give up voting rights. My guess is that 99% of them would agree.

MICHAEL DIAMOND
Ormond Beach, Fla.

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Pepper ... And Salt

THE WALL STREET JOURNAL

"Can I call you back when I feel like it?"

OPINION

The Resilience of the Black American

By Robert L. Woodson Sr.

Taxpayer-funded institutions are now adding their voices to the movement against "systemic racism"—the invisible legacy of slavery and discrimination that supposedly determines the destiny of black Americans. The Smithsonian National Museum of African American History and Culture last month posted a graphic on its website outlining the "Aspects and Assumptions of Whiteness & White Culture in the United States." The document maintained that "white people and their traditions, attitudes and ways of life have been normalized over time" and "we have all internalized some aspects of white culture—including people of color."

The racial grievance industry ignores inspiring examples of African-American achievement.

From the sounds of it, these "assumptions" are the types of things that would be debilitating and deleterious to minorities should they adopt and practice them in their lives. Assumptions such as "hard work is the key to success," "the nuclear family . . . is the ideal social unit" and "plan for [the] future" are offered as examples of "white dominant culture." In fact, the qualities attributed to "whiteness" are the same principles and values that have empowered blacks in America to succeed despite lingering discrimination and bigotry. The museum removed the graphic after a public outcry, saying "it's not working in the way we intended."

The whiteness graphic is merely one of hundreds of capitulations to the demeaning and disabling message of racial grievance merchants, who claim that any and all failures of black Americans are attributable to so-called systemic racism. Institutions that had once been trusted to provide steppingstones to achievement have jettisoned the principles of personal responsibility and self-determination.

The stories of men and women for whom oppression triggered resilience and success have been redacted from politically correct, grievance-based histories such as "The 1619 Project." The mission of the Woodson Center, and the "1776 Project," is to rescue those inspiring examples of achievement against the odds—both historical and current.

If you asked young black students today who the Golden 13 were, few would be able to identify the group of determined African-American servicemen who won a noble victory in an era in which blacks were prohibited from becoming naval officers. At the insistence of First Lady Eleanor Roosevelt, a crop of 16 college-educated black cadets were chosen for line-officer training in 1944.

To ensure their failure, the normal training period of 16 weeks was reduced to eight weeks for the black cadets. When they realized that someone in the Navy wanted them to wash out, the cadets covered up the windows of their barracks and studied all night. When they were tested, the entire group passed with high marks. Disbelief in the chain of command that an all-black cadet class could achieve higher scores than an all-white one meant that the black sailors had to suffer the indignity of retaking their tests. Again, all 16 passed, but the Navy offered commissions to only 13.

This grit and determination to succeed has been repeated over and over again. You can find it the best-selling book and award-winning movie "Hidden Figures"—the story of the three black female mathematicians who played a critical role in astronaut John Glenn's 1962 mission to orbit the earth aboard the Friendship 7.

U.S. NAVAL HISTORY AND HERITAGE COMMAND

The Golden 13 in March 1944

Three years ago, I attended a talk by the book's author, Margot Lee Shetterly. The reaction to her presentation underscored the thirst within the black community for inspiring messages of success against all odds. The 1,000-seat auditorium was filled to capacity with a predominantly African-American audience. People were standing in the balcony and along the walls. Hundreds milled in front of the building after the fire marshal determined that the building's capacity had been reached. The 100 books that the organizers had brought to the venue were sold out well before the presentation began. Even the local bookstores couldn't scrounge up a copy. During the question-and-answer session, some in the audience lamented not having heard about Katherine Johnson, Mary Jackson and Dorothy Vaughan earlier. Children raised their hands excitedly to learn more.

"Hidden Figures" is but one of thousands of black American stories demonstrating that the most powerful antidote to disrespect isn't protest but performance and the most potent answer to repression is resilience. Sadly, these sentiments are off-message for black elites, liberals in academia and cable-news talking-heads, who prefer the narrative of black victimization by "whiteness."

Those who attribute all failure of blacks in America—academic, occupational and even moral—to an all-purpose invisible villain of "institutional racism" are betraying those they purport to represent. Those who shake their fists and proclaim that a change in white America is a prerequisite for black achievement are embracing a version of white supremacy. This debilitating dynamic is exacerbated by the guilt among white liberals, who approach the black community with a combination of pity, patronage and pandering.

Black Americans must refuse to surrender to incompetence, self-devaluation and self-marginalization. Every day at my office, I pass a wall with a photograph of a group of slaves from 1861. The photo is titled "Strength" and features the quotation: "The strongest people in the world are not those most protected: They are the ones who must struggle against adversity and obstacles and surmount them to survive."

The Golden 13 and the women of "Hidden Figures" embodied this maxim. As Ms. Shetterly declared at her book signing: "These are the kinds of stories that change your life. You see people doing these amazing things and you internalize it, you normalize it, and it completely changes your inner landscape and what you believe is possible."

Mr. Woodson is founder and president of the Woodson Center.

Sectarianism Tightens Its Grip in India

EAST IS EAST
By Sadanand Dhume

Amid saffron-robed priests chanting Sanskrit prayers, Prime Minister Narendra Modi on Wednesday presided over the groundbreaking of a new temple to the Hindu deity Ram in the northern town of Ayodhya.

The ceremony was a milestone in a long quest to erect a temple at a spot that pious Hindus view as the ancient deity's birthplace. In 1992, a mob razed a 16th-century mosque that many Hindus believe was built over a Ram temple. Last year, India's Supreme Court granted the disputed land to the Hindus. (Muslims got a plot in another part of town.)

Wednesday's ceremony marks the end of Nehruvian secularism, named for the country's first prime minister, Jawaharlal Nehru, who ran India from 1947 to 1964. Like his mentor, Mahatma Gandhi, Nehru sought to unite Indians of all faiths in a common fight against British rule. He praised India's capacity to absorb medieval Islamic invaders. "She was like some ancient palimpsest on which layer upon layer of thought and reverie had been inscribed, and yet no succeeding layer had completely hidden or erased what had been written previously," Nehru wrote in "The Discovery of India" in 1946.

As prime minister, Nehru pursued Soviet-style industrialization and declared that large projects such as hydroelectric dams and steel plants would be "the temples of modern India." Without success, he discouraged India's first president from attending a ceremony to rebuild an ancient temple in Gujarat sacked by the Turkic King Mahmud of Ghazni in the 11th century. For Nehru, an unhealthy obsession with the past got in the way of building a better future for India.

By contrast with Gandhi and Nehru, Vinayak Savarkar, the most prominent Hindu nationalist ideologue, distinguished between followers of Indic religions—Hinduism, Sikhism, Buddhism and Jainism—and the Abrahamic faiths of Islam and Christianity. In "Essentials of Hindutva" (1923), Savarkar defined Hindus as those who viewed India as both their holy land and the land of their forefathers. This conception makes the loyalty of Muslims and Christians to India suspect even if they've lived there for hundreds of years.

Hindu nationalists view Nehru, educated at Harrow and Cambridge, as an atheist out of touch with Hindu sentiment. They point out that the reforming zeal of the Nehruvian project stopped short of Islam. In the 1950s India banned polygamy for Hindu men, but not for Muslims, who continued to be governed by Sharia law in matters of marriage, divorce and inheritance.

Nehru said dams would be the 'temples' of the future. Modi has ensured that actual temples are instead.

After Nehru's death, many of his successors paid lip service to secular ideals of rationalism and scientific inquiry while pandering to Islamic identity politics. In 1988, for fear of upsetting orthodox Muslims, India became the first country to ban Salman Rushdie's novel "The Satanic Verses." As radical Islamist terrorism became a world-wide problem, Nehruvian secularists failed to find words to address it.

A backlash helped bring Mr. Modi's Bharatiya Janata Party to power in 2014. On paper nothing has changed. The constitution describes India as a "sovereign, socialist, secular, democratic republic." In reality, especially since his re-election last year, Mr. Modi has stepped up the pursuit of Hindu nationalist goals.

Last year, the government abruptly ended constitutional autonomy for India's only Muslim-majority state, Jammu and Kashmir, and split the province into two federally administered territories. Few missed the coincidence of holding the Ram temple ceremony on the anniversary of the crackdown in Kashmir.

The Modi government also pushed through a controversial new law that fast tracks Indian citizenship for refugees from Bangladesh, Pakistan and Afghanistan as long as they aren't Muslim. Muslims and secularists fear that, combined with a proposed national register of citizens, the new law will be used to disenfranchise Muslims. Hindu nationalists dismiss these concerns as exaggerated, and for now protests have forced the government to postpone the citizenship register. In February, Hindu-Muslim riots in Delhi, sparked by protests against the citizenship law, killed 53 people, two-thirds of them Muslim.

To his many fans, Mr. Modi's muscular Hindu nationalism is welcome. They expect the government to fulfill other Hindu nationalist demands, including a common civil code for all Indians, a national law banning religious conversion, an end to autonomy for Christian and Muslim schools, and the freeing of Hindu temples from government control.

And there are more perceived historical wrongs that Hindu nationalists want righted. Despite a 1991 law that freezes the status of all places of worship at the time of India's independence on Aug. 15, 1947—the Ayodhya dispute was excluded because it was already in court—Hindu activists are plotting to reclaim two historic temples replaced by mosques by the 17th century Mughal emperor Aurangzeb.

The way things have unfolded, the temples of 21st-century India aren't dams, as Nehru promised, but actual temples. Yet in a country of 1.3 billion people, where 1 in 5 citizens isn't Hindu, the odds appear slim that Hindu nationalism will manage Indian diversity any better than the ideology it has replaced.

'Stakeholder' Capitalism Seems Mostly for Show

By Lucian Bebchuk And Roberto Tallarita

By putting American workers through months of turmoil, the Covid-19 crisis has heightened expectations that large companies will serve the interests of all "stakeholders," not only shareholders. The Business Roundtable raised such expectations last summer by issuing a statement on corporate purpose, in which the CEOs of more than 180 major companies committed to "deliver value to all stakeholders." Although the Roundtable described the statement as a radical departure from shareholder primacy, observers have been debating whether it signaled a significant shift in how business operates or was a mere public-relations move. We have set out to obtain evidence to resolve this question.

To probe what corporate leaders have in mind, we sought to examine whether they treated joining the Business Roundtable statement as an important corporate decision. Major decisions are typically made by boards of directors. If the commitment expressed in the statement was supposed to produce major changes in how companies treat stakeholders, the boards of the companies should have been expected to approve or at least ratify it.

We contacted the companies whose CEOs signed the Business Roundtable statement and asked who was the highest-level decision maker to approve the decision. Of the 48 companies that responded, only one said the decision was approved by the board of directors. The other 47 indicated that the decision to sign the statement, supposedly adopting a major change in corporate purpose, was not approved by the board of directors.

We received responses from only about three-tenths of the signatories. Yet there is no reason to expect that these companies are less likely than companies electing not to respond to have obtained board approval for joining the statement.

What can explain a CEO's decision to join the Business Roundtable statement without board approval? Even "imperial" CEOs tend to push major decisions through the board rather than disregard it. Similarly, it is implausible that CEOs didn't seek board approval because they viewed the statement as reflecting a personal belief rather than a commitment made in their "official" capacity. In fact, the Business Roundtable presented the statement as a commitment by CEOs "to lead their companies for the benefit of all stakeholders," thus reflecting a pledge regarding the goals of the companies led by these CEOs.

The most plausible explanation for the lack of board approval is that CEOs didn't regard the statement as a commitment to make a major change in how their companies treat stakeholders. That may be because they believe their companies are already meeting the standard for taking care of stakeholders. But it still implies that they believed signing the statement wasn't a major step for their businesses.

If CEOs really intended to amend their companies' purpose, they'd at least consult their boards first.

We supplemented the evidence above with a review of the board-approved corporate governance guidelines of the companies whose CEOs joined the statement. We found that these guidelines, including the many that have been updated since the issuance of the Business Roundtable statement, mostly reflect a clear "shareholder primacy" approach.

Take the corporate governance guidelines of JPMorgan Chase, whose CEO, Jamie Dimon, chaired the Business Roundtable at the time the statement was issued. These guidelines state that "the Board as a whole is responsible for the oversight of management on behalf of the Firm's shareholders."

The corporate governance guidelines of Johnson & Johnson—whose CEO, Alex Gorsky, served as chairman of the Business Roundtable Corporate Governance Committee—indicate in clear terms that "the business judgment of the Board must be exercised . . . in the long-term interests of our shareholders."

Further, about 70% of the U.S. companies that joined the statement are incorporated in Delaware, which is widely viewed as a state with shareholder-centric corporate laws. In a 2015 law-review article, Delaware Chief Justice Leo Strine stated that "a clear-eyed look" at Delaware law "reveals that . . . directors must make stockholder welfare their sole end."

Nonetheless, the Business Roundtable, and the numerous Delaware companies endorsing its statement, didn't address the potential constraints imposed by Delaware law. This disregard of the issue is consistent with the view that corporate leaders don't contemplate a significant change in corporate strategy.

The evidence is clear: Notwithstanding statements to the contrary, corporate leaders are generally still focused on shareholder value. They can be expected to protect other stakeholders only to the extent that doing so would not hurt share value. That conclusion will be greatly disappointing to some and welcome to others. But all should be clear-eyed about what corporate leaders are focused on and what they intend to deliver.

Messrs. Bebchuk and Tallarita are director and associate director, respectively, of the Harvard Law School Program on Corporate Governance. Their co-written study that details their research, "The Illusory Promise of Stakeholder Governance," is scheduled for publication in the autumn.

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WORLD NEWS

Trump Finds Some China Fans

Activists praise stance on rights; hard-liners say they like that he weakens U.S. alliances

By Sha Hua

As Sino-American relations have reached new lows, the most visible reaction in China has been anger.

President Trump's demand for a cut for the U.S. government in the TikTok deal drew heated criticism from prominent Chinese people, with some calling it open robbery. After the U.S. decided to shut China's consulate in Houston, accusing it of economic espionage, the country's state-run newspapers accused Washington of manic zeal.

Beneath the expressions of anger, two camps at opposite ends of China's political spectrum like that Mr. Trump is confronting Beijing and escalating tensions—for very different reasons.

On one end are members of the political establishment who see his leadership as detrimental to America's alliances and dominance in the global order. On the other are human-rights activists and critics of the Communist Party who see Mr. Trump as one of the few world leaders willing to take on Beijing unapologetically.

Zhang Shuhua, an adviser to Beijing's leaders, sees the U.S. president as a catalyst for American decline, helping China to increase its global influence. "While the West is in chaos, China is well-governed," Mr. Zhang told state media in May. He cited the White House's failure to contain the coronavirus as evidence of how America's international standing has crumbled, opening up more room for China to advance its interests abroad.

SUSAN WALSH/ASSOCIATED PRESS

President Trump and President Xi Jinping at the 2019 G-20 summit.

Some say president hurts U.S. standing; others applaud his criticism of Beijing.

"He cannot make America great again. On the contrary, he is accelerating America's weakening, decline and even defeat," said Mr. Zhang, the director of the Chinese Academy of Social Sciences' Institute of Political Science, in an editorial for the state-backed Global Times.

The White House declined to comment. Despite the world's highest Covid-19 death toll, Mr. Trump has defended his administration's response, saying cases of infection and deaths would have been much higher if he hadn't moved in late January to bar travel from China, which he has criticized over the pandemic.

On the other side of the political spectrum in China are fans of Mr. Trump, like Liu Suli. A veteran of 1989's Tiananmen Square protests, he is one of China's few prominent critics of Communist Party rule. The owner of an independent bookstore in Beijing that attracts dissidents and professors alike, Mr. Liu credits Mr. Trump with "returning to the founding principles of the United States."

For liberal intellectuals like Mr. Liu, the survival of the Western order hinges on Mr. Trump's ability to restore American strength. The president's willingness to flout diplomatic convention and reject multilateral institutions, Mr. Liu said, exposes the cracks in an international system that needs retooling.

Mr. Liu said he initially found Mr. Trump's demeanor distasteful, but he started to change his mind during a visit to the U.S. in 2016 when he watched Mr. Trump during the Republican primary debate in South Carolina. He said he was impressed by the clear and concise way he expressed his policies and his willingness to challenge political correctness.

Guo Yuhua, a sociology professor at Tsinghua University and an outspoken human-rights activist, is also a supporter of the American president. On Twitter, Ms. Guo often retweets Mr. Trump, calls his detractors "hooligans" and criticizes political correctness.

Mr. Trump has been criticized by human-rights advocates for expressing a personal affinity for authoritarian leaders, including China's Xi Jinping and North Korea's Kim Jong Un.

Mr. Zhang has said China should focus on developing countries. "Once we leave behind the trap of thinking that 'America is the entire world,' China's development and rise will actually take place in a wider space and with a broader target," he wrote.

Order Bans TikTok If Sale Isn't Closed

By Andrew Restuccia And Siobhan Hughes

WASHINGTON—President Trump issued a pair of executive orders that would impose new limits on Chinese social media apps TikTok and WeChat, escalating tensions with Beijing and effectively setting a 45-day deadline for an American company to purchase TikTok's U.S. operations.

The orders bar people in the U.S. from making any transaction with the China-based owners of the apps, effective 45 days from Thursday. That raises the possibility that U.S. citizens would be prevented from downloading the apps in the Apple or Google app stores.

The move puts renewed pressure on **Microsoft** Corp. and TikTok's parent, Beijing-based **ByteDance** Ltd., to reach a deal for the U.S. software giant to buy the app's U.S. operations. It also formalizes Mr. Trump's earlier calls for shutting down TikTok should Microsoft or another American buyer fail to complete a deal within 45 days.

ByteDance representatives couldn't be reached for comment.

Mr. Trump argued in the order that TikTok poses an economic and national-security threat to U.S. interests. U.S. officials have expressed concern that TikTok would let China's authoritarian government have access to the data TikTok collects from Americans and other users. TikTok has said it would never hand over such data.

"This data collection threatens to allow the Chinese Communist Party access to Americans' personal and proprietary information—potentially allowing China to track the locations of Federal employees and contractors, build dossiers of personal information for blackmail, and conduct corporate espionage," the order says.

The Thursday orders are likely to be met with indignation in China, where talk of a TikTok sale has sparked anger and is hardening long-held suspicions that the U.S. aims to sabotage the country's efforts to expand its technology.

For Beijing, the move to target WeChat and its parent, **Tencent Holdings** Ltd., is likely to be a bigger concern than TikTok. WeChat is used by more than a billion people in China and is a link between China and its overseas diaspora. Tencent is also a much more-established company with a history of cooperating with the Beijing government in a variety of areas, and boasts a market capitalization of nearly $700 billion.

The executive orders came hours after the Senate unanimously passed a bill prohibiting federal employees from using TikTok on government-issued devices.

Hong Kong Draws Fewer Expatriates Amid Turmoil

By Frances Yoon

Hong Kong's expatriate community is shrinking, as new restrictions by China on speech and political activities and a tumultuous year of protests have diminished the allure of living and working in the Asian financial hub.

In recent months, the drumbeat of workers and families leaving the city has picked up pace, and executive recruiters say China's recent imposition of a new national security law is already making it harder for them to persuade job candidates from the West to relocate to Hong Kong.

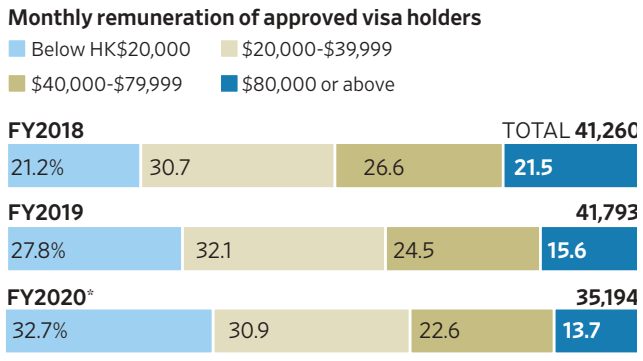
The number of visas issued by the city's immigration department for professional jobs tumbled more than 60% to 7,717 from January to June, compared with the 19,756 visas issued during the period in 2019, likely due in part to the coronavirus pandemic.

Some international schools in Hong Kong have also forecast drops in enrollment for this coming academic year because fewer families are moving to the city to replace those that have left.

The departures include some in the financial industry, though many are staying put for now. Investment banks and asset managers are doing roaring business, thanks to a flurry of stock and bond offerings from Chinese companies and large capital flows to Hong Kong this year.

Fewer visas have been granted to highly paid foreign professionals in Hong Kong.

Monthly remuneration of approved visa holders



Note: HK$10,000= US$1,290; Fiscal years end March 31. *Figures don't add to 100 due to rounding.
Source: Immigration Department, Hong Kong

The city's reputation for press freedom also made it an Asian hub for Western media organizations, including The Wall Street Journal, but with the security law and recent visa delays, some newsrooms have been relocating staff elsewhere in the region or drawing up contingency plans to move if required.

But even before the recent turmoil in Hong Kong, some Western banks and companies were basing some of their top global executives in Singapore.

Deutsche Bank AG's incoming Asia-Pacific chief executive recently relocated to Singapore from Frankfurt, a spokeswoman said, after its previous regional CEOs over the past decade were either based in Hong Kong or the Southeast Asian city-state. Credit Suisse Group AG and UBS Group AG also currently have their top Asia executives in Singapore.

OLIVIA MILLIKEN

Olivia Milliken and her family, seen in Hong Kong, have decided to stay in Canada after a visit.

Olivia Milliken, an American-born attorney who moved to Hong Kong about six years ago, traveled to Vancouver, British Columbia, early this year with her husband and four children on what was supposed to be a vacation to visit family.

At the time, she and her husband, a Canadian, were contemplating a move in the summer following months of protests that had disrupted life in Hong Kong.

When Hong Kong's government closed schools from February to prevent the spread of the coronavirus, Ms. Milliken said she enrolled her children in a local Canadian school and has now decided not to return to the city.

The city of 7.5 million has more than 700,000 foreign residents, a category that includes domestic helpers as well as white-collar expatriates and their dependents.

Hong Kong's immigration department received 39,606 applications for visas under its General Employment Policy—a category that requires individuals to have specialized skills, knowledge or experience—between April 2019 and March 2020. That is down from 45,301 applications in the year ended in March 2019.

A Hong Kong government spokesperson said declines in visa applications were understandable given the economic downturn this year because of Covid-19.

The pandemic has delayed obtaining visas by several months, and some international banks have put hiring freezes in place. Asian banks have also increasingly opted to hire locally.

WORLD WATCH

CENTRAL EUROPE

Pompeo to Discuss Russia, Arms Issues

Secretary of State Mike Pompeo is set to visit Austria, the Czech Republic, Poland and Slovenia next week to discuss nuclear issues, concerns about Russia, and other matters, the State Department said Thursday.

Mr. Pompeo is also set to meet the director of the International Atomic Energy Agency, Rafael Grossi, in Vienna.

The U.S. is planning next week to introduce a resolution in the United Nations Security Council that would extend a five-year ban on the sale of conventional weapons to Iran, part of the 2015 nuclear deal from which the U.S. withdrew in 2018, Mr. Pompeo told reporters Wednesday.

Also in Vienna, Mr. Pompeo is expected to meet Foreign Minister Alexander Schallenberg and Chancellor Sebastian Kurz on Friday to discuss trade and investment as well as regional security issues.

In Prague, Mr. Pompeo's meetings will focus in part on "efforts to counter malign actions of Russia and communist China," a State Department spokesman said. In Poland on Saturday, Mr. Pompeo will discuss the coronavirus pandemic and deepening defense ties.

—William Mauldin

EUGENE HOSHIKO/ASSOCIATED PRESS

NEVER FORGET: Saki Morioki, 5 years old, prayed in front of the Atomic Bomb Dome in Hiroshima on Thursday, the 75th anniversary of the world's first atomic bombing. The Japanese city was destroyed and 140,000 people killed when the U.S. dropped the bomb on Aug. 6, 1945.

CHINA

Canadian Citizen Sentenced to Death

A Chinese court imposed the death penalty on a Canadian citizen charged with producing illicit drugs, in a case that could further strain already frayed ties between Beijing and Ottawa.

Xu Weihong was sentenced Thursday by the municipal Intermediate People's Court in the southern city of Guangzhou, according to a court notice. An alleged accomplice named Wen Guanxiong was sentenced to life imprisonment, the notice said.

The verdict marked at least the third time a Canadian citizen has been sentenced to death in China for drug-related offenses since bilateral relations started to sour in December 2018. That was when Canadian authorities arrested—at Washington's request—a top executive at Chinese telecommunications giant Huawei Technologies Co.

China's Foreign Ministry said Chinese judicial agencies handle all cases independently and in accordance with local laws.

A spokesman for Canada's foreign department said it is "profoundly concerned" about the death sentence, and called on Beijing to grant clemency.

—Chun Han Wong

BANK OF ENGLAND

Economic Recovery Expected in Late '21

The Bank of England said the U.K. economy will take until the end of 2021 to make up the ground lost during the pandemic, after suffering what it estimates was the steepest second-quarter fall in output among rich countries.

Officials estimate the economy shrank by around 20% between April and June as a nationwide lockdown to contain the coronavirus came into force. That compares with estimates of 9.5% for the U.S. and 12% for the eurozone.

The bank forecasts the U.K. economy will shrink by around 9% across 2020 as a whole and won't recover to the level it was at the end of 2019 until the close of next year.

—Jason Douglas

TECHNOLOGY: APPLE BUSINESS CHAT WOOS NEW CORPORATE CLIENTS B4

BUSINESS & FINANCE

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Uber Ridership Declines Further

By Preetika Rana

Uber Technologies Inc. posted another big loss with little sign of recovery in its core ride-hailing business as the coronavirus pandemic drags on.

Gross bookings for Uber's rides declined 75% year over year in the three months ended June 30, the San Francisco-based company said Thursday.

Uber Chief Executive Dara Khosrowshahi on Thursday said business in Asia was bouncing back, with ride bookings in Hong Kong and New Zealand, where the pandemic has eased, "at times exceeding pre-Covid highs." While ridership is picking up in some lucrative cities including New York—where bookings more than doubled—Mr. Khosrowshahi said bookings were down as much as 85% in some U.S. locations.

Mr. Khosrowshahi in May also said there were early signs of ridership recovering as some jurisdictions eased shelter-in-place measures, only for Covid-19 infection numbers to rise and the recovery to stall.

Uber's food-delivery business has been a bright spot during the pandemic, with people stuck at home. Bookings more than doubled year over year and advanced 49% over the first quarter.

"If restrictions continue or need to be reimposed, our delivery business will compensate," Mr. Khosrowshahi told analysts on an earnings call Thursday.

Mr. Khosrowshahi had vowed to make Uber profitable on an adjusted Ebitda basis before year-end but withdrew that forecast in April because of the health crisis. On Thursday, the company reaffirmed its hope to reach that milestone next year.

Please turn to page B2

Bausch Carves Up Firm Built By Valeant

By Jared S. Hopkins And Cara Lombardo

Bausch Health Cos. said Thursday it plans to spin off its faster-growing eye-care business from its core pharmaceutical operations, breaking apart a company previous management had built through such acquisitions.

The eye-care unit, known as Bausch & Lomb, had $3.7 billion in revenue last year, compared with about $4.9 billion from the rest of the company.

The eye-care business would return to being a separate company, as it was before Valeant Pharmaceuticals International and its then-Chief Executive, Michael Pearson, acquired Bausch & Lomb for $8.7 billion in 2013.

Shares of Bausch spiked about 15% early on Thursday but finished up 3.4%.

Thanks to such acquisitions, Valeant stock soared and the company became a Wall Street darling. But the company later earned notoriety, and drew scrutiny, for aggressive drug-price increases and other business practices. Its stock plunged.

The spinoff plans, first reported by The Wall Street Journal earlier Thursday, would mark the latest hit to the Valeant legacy. Over the last several years, Canada-based Bausch has sought to climb out of the roughly $30 billion in debt accumulated through acquisitions and distance itself from past controversies, including dropping the Valeant name.

Chief Executive Joseph Papa has made strides remaking the business, some analysts say. He has divested about $4 billion of assets and paid down more than $8 billion of debt, while launching new products like psoriasis medication Siliq and overhauling accounting and business practices.

"Now is the right time to begin the separation process," Mr. Papa told analysts on a call discussing the company's second-quarter earnings.

"We reflected on our portfolio. We said that 'we find ourselves with a portfolio of products that are somewhat an artifact of history that were

Please turn to page B2

For Pricey Shares, a Slice Can Be Enough

By Alexander Osipovich

Trading slivers of individual shares has become a fervent pursuit for thousands of individual investors, amplifying the 2020 rise of pricey yet popular stocks like **Amazon**.com Inc. and **Tesla** Inc.

Fidelity Investments, which rolled out fractional trading to customers in January and February, says more than 340,000 of its accounts have placed a fractional trade, in which the customer buys or sells less than an entire share. **Interactive Brokers Group** Inc., another online brokerage, says around 117,000 users have enabled fractional trading since the firm released the feature to individual investors in November. **Charles Schwab** Corp. says more than 60,000 accounts have bought its "Stock Slices" since it turned on the feature in June.

Fractional trading has become widespread as stock splits have fallen out of favor among some of America's hottest companies and the coronavirus pandemic has intensified the appeal of top technology companies, pushing share prices of many market leaders into the hundreds or thousands of dollars.

One of the most discussed trends in markets this year has been individual investors' renewed embrace of stocks, motivated in part by coronavirus-fueled volatility and free trading apps like the one from **Robinhood Markets** Inc. Proponents say fractional trading has helped democratize access to the stock market.

But it may be encouraging risky speculation that some analysts and academics warn will end with many individual investors losing money. The S&P 500 has surged nearly 50% since March, despite a rise in U.S. unemployment and other significant, unresolved economic problems.

"I can buy stock in companies I could never afford," said

Please turn to page B10

Coronavirus Hobbled Amazon, But the Tech Giant Rebounded For Its Best Earnings Ever

By Sebastian Herrera and Merrill Sherman

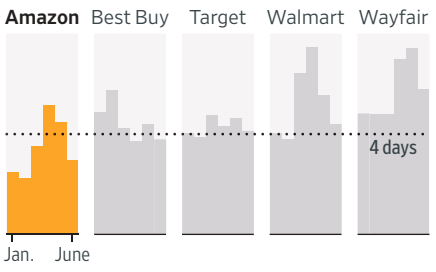
Amazon.com just reported its greatest quarter ever, but getting there wasn't easy.

The pandemic brought enormous challenges to the company early on, tripping up the tech giant in a way rarely seen in its history. Delivery times and customer reviews slipped, essential items were unavailable in some areas, and worker absences created extended challenges.

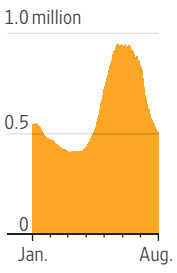
As delivery times and customer reviews slipped...

Many of Amazon's temporary shortcomings during the pandemic came about because the company wasn't prepared to handle the boost in demand it saw. While it still led competitors overall in package delivery times, its famed shipping speeds slipped.

Delivery times



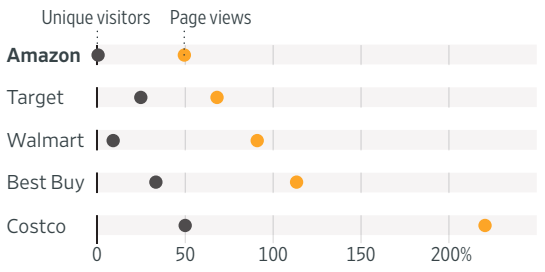
Negative reviews of Amazon sellers



...Amazon's web traffic fell

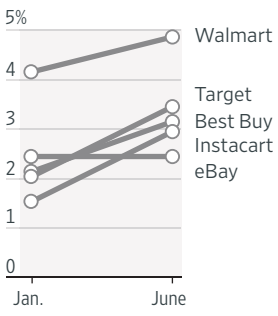
Amazon's troubles led shoppers to visit other e-commerce sites. As Amazon's web traffic decreased, Walmart, Target and the online furniture store Wayfair saw traffic climb.

U.S. web traffic growth from a year ago in April



Rivals bit into Amazon's online retail market share, now 38%...

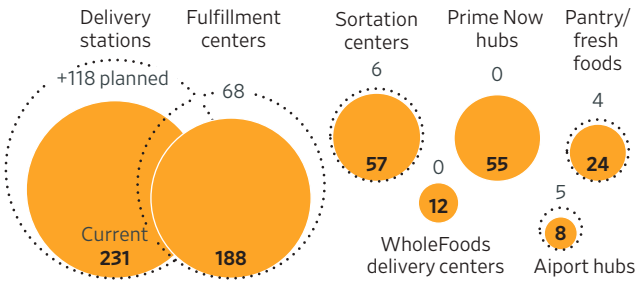
U.S. online retail market share this year



...investor confidence remained high due to Amazon's logistics investments and other business units...

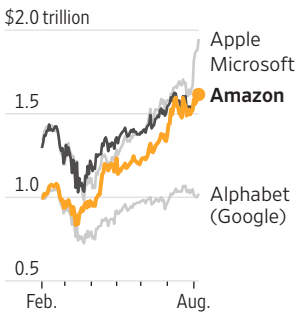
Amazon has built many more fulfillment and delivery stations than rivals, and continues to expand its delivery vehicle and airline fleet, creating capacity to manage more of its own deliveries.

Locations



...and its Market Value Soared

Valuations of biggest tech companies



Sources: Rakuten Intelligence (marketshare, deliveries); Marketplace Pulse (reviews); Activate Consulting (visitors, views); MWPVL (distribution centers) FactSet (valuations)

Erik Brynildsen/THE WALL STREET JOURNAL

Exchange Owner Bets on Digital Mortgages

By Alexander Osipovich

Intercontinental Exchange Inc., the owner of the New York Stock Exchange, said it would acquire mortgage-software firm **Ellie Mae**, a landmark bet by the exchange giant on the digitization of the U.S. mortgage industry.

The deal between Atlanta-based ICE and private-equity firm Thoma Bravo is valued at about $11 billion, including $9.25 billion in newly issued debt and $1.75 billion in stock. It is expected to close in the third or fourth quarter of 2020, pending regulatory approval.

Atlanta-based ICE, as the exchange operator is known, is funding 84% of the deal's price tag with cash, and the rest with newly issued stock. The deal is expected to close in the third or fourth quarter of 2020, pending regulatory approval, it said.

Thoma Bravo acquired Ellie Mae last year for $3.7 billion in cash.

Ellie Mae's revenue has grown rapidly since the Thoma Bravo acquisition last year, in part because the coronavirus pandemic accelerated the use of its digital tools, ICE Chairman and Chief Jeffrey Sprecher told analysts on a conference call about the deal.

Asked about the deal's price tag, ICE executives said they expected Ellie Mae's business to keep growing at a fast clip for the next decade. Mr. Sprecher said ICE would also profit from the transaction by amassing a huge trove of mortgage data, which it would sell alongside the financial data that it already sells from ICE's markets.

"We will be the de facto source of information for the U.S. mortgage market," Mr. Sprecher said.

ICE's shares dropped 2.5% in after-hours trading as investors digested the cost of the deal.

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Some mining companies undercount worker deaths, helping to boost bonuses. **B6**

AMD Finds New Life Under CEO Lisa Su

By Asa Fitch And Euirim Choi

The coronavirus pandemic has shown just how far **Advanced Micro Devices** Inc. has come since Lisa Su became chief executive six years ago.

Long an also-ran in the U.S. semiconductor industry behind **Intel** Corp., AMD is surging. AMD chips used in the data centers powering remote work are in hot demand. And personal computers and popular gaming consoles using its chips also are flying off the shelf with people stuck at home, prompting the company to raise its full-year sales outlook amid strong demand.

While far-larger rival Intel has struggled with developing its latest processors, AMD is working with suppliers to boost production of its cutting-edge chips, and is on course to bring out a new generation that it hopes will maintain the performance lead it has built over Intel.

AMD chips are now in about 19.2% of new personal computers, up from 7.3% in 2015, according to Mercury Research, and analysts expect it to take more market share. Its share price is up more than 80% this year, ranking it among the best-performing large tech companies, while Intel has slumped almost 20%. During Ms. Su's tenure, AMD's market value has soared from about $2.5 billion to top $100 billion this week for the first time.

None of that makes the challenges ahead for AMD any less daunting, Ms. Su said in a recent interview.

"You would think that the decisions get easier because you have more resources, but they actually don't because you have a much broader set of opportunities," she said. "In some sense, when you're more

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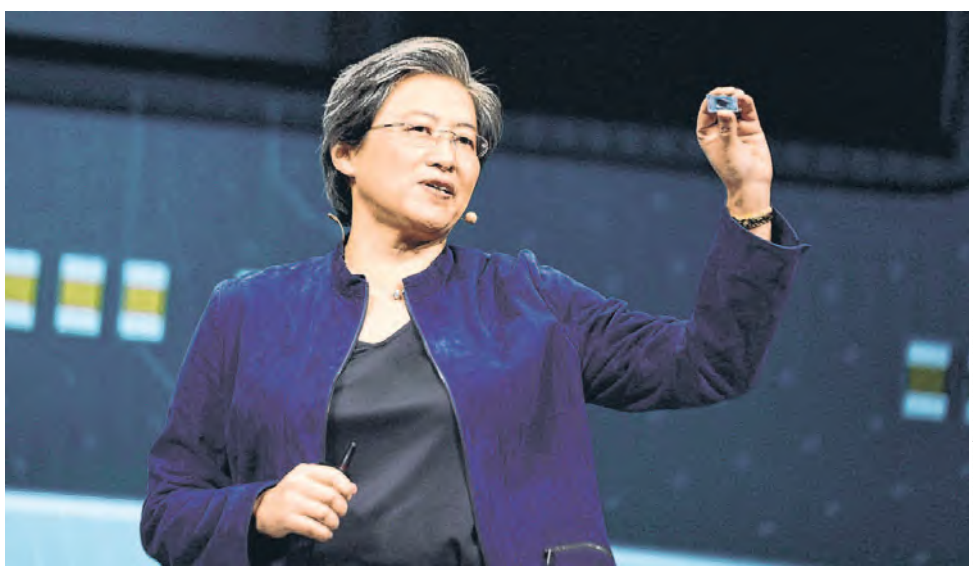

'The strategy was, let's get the flexibility we need to use the best technology out there,' said Lisa Su.

BRIDGET BENNETT/BLOOMBERG NEWS

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BUSINESS & FINANCE

TOM BRENNER/REUTERS

Honeywell said it wants to deploy capital. A Honeywell facility in Phoenix making masks to fight coronavirus in early May.

After Stockpiling Cash, Some Companies Look to Spend It

By Nina Trentmann And Kristin Broughton

Companies have been stockpiling cash to navigate the coronavirus pandemic, and some are getting eager to spend it.

Cash holdings of U.S. public companies amounted to $2.54 trillion during the latest reported quarter, up from $1.96 trillion at the end of 2019 and $1.86 trillion from the second quarter in 2019, according to S&P Global Market Intelligence.

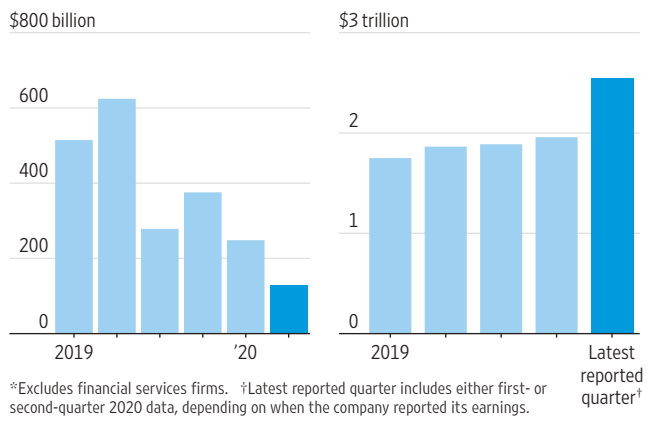
While it can be reassuring for finance chiefs to have ample cash and liquidity amid the economic downturn, many executives feel they need to put their companies' capital to work, using it to seize growth opportunities and generate returns for shareholders.

"We absolutely want to go and deploy capital," said Greg Lewis, chief financial officer of **Honeywell International** Inc. "This is truly an opportunity for us to go do that." The industrial conglomerate—with more than $15 billion in cash holdings and short-term investments as of June 30, according to S&P—plans to use its liquidity to scoop up other companies.

The coronavirus pandemic has created a divide between corporate haves and have-nots, with some companies building on existing stockpiles of cash and enjoying access to cheap debt, while others struggle to survive. The tally of chapter 11 filings in the first seven months of the year rose 30%, according to data by legal-services firm **Epiq Systems** Inc.

Microsoft Corp., with $136.5 billion, topped the list of America's cash-rich companies as of June 30, according to S&P. The software company could find use for some of that as it is in advanced talks to purchase the U.S. operations of video app TikTok. Other companies with significant cash and short-term investments include Google parent **Alphabet** Inc., with $121.1 billion, and car maker **Ford Motor** Co., with nearly $40 billion in the latest-reported quarter, S&P data show.

The value of deals involving a U.S. target dropped in 2020, while holdings of cash, equivalents and short-term investments at U.S. public companies rose.



*Excludes financial services firms. †Latest reported quarter includes either first- or second-quarter 2020 data, depending on when the company reported its earnings.

Sources: Refinitiv Holdings Ltd. (value of mergers), S&P Global Market Intelligence (total cash)

Most companies have held back from spending on share-buyback programs and dividends since the pandemic. Some businesses with strong cash holdings, such as cereal maker **Kellogg** Co., said they plan to focus on investing in their brands, capital expenditures and repaying debt.

Mergers-and-acquisitions activity picked up in June and July.

Other executives are starting to look at deal making again despite an uncertain economic outlook and the presidential election, said David Hunt, a senior director for mergers and acquisitions at Willis Towers Watson PLC, an advisory and brokerage firm.

Beyond the potential Microsoft-TikTok deal, some recent transactions include Google's deal to buy a 6.6% stake in security-monitoring provider **ADT** Inc. for $450 million. **Marathon Petroleum** Corp. on Sunday said it plans to sell its gas stations to **7-Eleven** Inc. for $21 billion.

Atkore International Group Inc., an electrical infrastructure company based in Harvey, Ill., had put its acquisition strategy on hold earlier this year when the pandemic unfolded. A recent rebound in its stock price and an increase in cash reserves prompted Atkore to revisit potential deals, said David Johnson, the company's CFO. Mr. Johnson said the company is looking for deals to expand in areas such as specialty metal conduits and security products.

"Barring a major global lockdown being imposed, we can expect a continued acceleration of deal making with cash being an element of it," said Andrea Guerzoni, global vice chair for strategy and transactions at Ernst & Young. "Big and financially robust companies are ready and able to fund significant deals if they want to."

Even though transaction volumes are down significantly compared with the prior-year period, mergers-and-acquisitions activity picked up in June and July, according to EY.

PayPal Holdings Inc., the payments company, said it is sticking to its annual target of spending $1 billion to $3 billion on acquisitions even during the pandemic. "We've always been balanced between M&A, organic investment and returning cash to shareholders, and we've also been opportunistic," Chief Financial Officer John Rainey said on a second-quarter earnings call in July. The company had about $13 billion in cash and short-term investments at the end of June, according to S&P.

Tech companies aren't making aggressive plays yet in this recession like they did during the credit crisis. "Executive focus is on Covid-19 and managing through Covid-19," said Adam Haller, a partner at Bain & Co. "So finding the executive bandwidth and mind share to focus on acquisitions is a big part of why you're not seeing M&A happen in tech right now."

Also, tech companies are under more regulatory scrutiny, said Daniel Ives, an analyst at financial-services firm Wedbush Securities Inc. Companies in other sectors could move into acquisition mode in the coming quarters amid rising cash balances, he said.

FleetCor Technologies Inc., an Atlanta-based payment-solutions company, is searching for potential acquisition targets following four deals in 2019, said Steve Greene, executive vice president for corporate development and strategy.

"As the economic picture becomes a little more certain, we are again starting to look at big deals," Mr. Greene said, adding the company would spend about $3 billion or more on such a transaction and likely would use a combination of cash and debt to fund a deal. FleetCor had about $1.1 billion in cash on its balance sheet as of March 31, the latest available figure.

—Mark Maurer contributed to this article.

Bausch To Spin Off Eye Care

Continued from page B1

put together through a number of acquisitions.' We said, 'what's the best way to get these portfolio of businesses to a place where we could grow these businesses,' " Mr. Papa said.

Recent efforts to revive sales, such as increased promotion of stomach drug Xifaxan, have paid off, but the company is forecast to grow slowly over the next few years, Cowen & Co. analysts have said. It is still saddled with about $24 billion in debt, and the stock price hasn't returned to the frothy days from several years ago.

Activist hedge fund Glenview Capital Management LLC in late July said in a filing it controlled 5.9% of Bausch's shares.

Several drugmakers including Pfizer Inc. have sought to carve up their diversified businesses over the last several years, arguing that the moves create more focused companies that can produce better returns and be valued more readily by investors.

Mr. Papa said Bausch reviewed valuations of its eye-care rivals such as **Alcon** AG, and believes investors could see similar value with Bausch & Lomb as a stand-alone company. Alcon was spun out of Novartis AG last year.

He said the spinoff could happen within the next 18 months but declined to specify a date.

Bausch & Lomb, founded in 1853, is one of the iconic names in eye care. The company invented Ray-Ban sunglasses for military pilots, and later introduced one of the first mass-produced soft contact lenses and among the first contact-lens solutions.

Following accounting missteps and damaging recalls, private-equity firm Warburg Pincus LLC bought the company for $3.7 billion in 2007, taking it private.

Today, the business sells a variety of products, such as eye-surgery devices and contact lenses. More than half of Bausch's eye-care sales are from outside the U.S.

Before spinning off, the eye business will report as a separate segment of Bausch starting in the first quarter of 2021, the company said. Bausch hasn't decided the structure or closing date of the transaction, which will require board and regulatory approvals.

Under the plan, the other business will sell products including skin treatments like psoriasis therapy Duobrii, gastrointestinal drugs such as Xifaxan and the antidepressant Wellbutrin XL.

Last week, Bausch agreed to pay $45 million to resolve claims from the Securities and Exchange Commission that it improperly booked some revenue and misled investors about the impact of a 500% price increase for its diabetes drug Glumetza.

In 2018, a former Valeant official, Gary Tanner, was found guilty of charges that he defrauded the company through a multimillion-dollar kickback scheme.

Uber's Ridership Declines

Continued from page B1

The charge contributed to Uber's $1.8 billion net loss in the quarter, far smaller than the year-ago period when one-time costs from its initial public offering drove its largest-ever three-month loss. Stripping out one-time costs, its second-quarter adjusted Ebitda loss widened to $837 million from $656 million a year earlier.

Uber shares fell more than 3% in after-market trading.

JEAN-CHRISTOPHE BOTT/EPA/SHUTTERSTOCK

The ride-sharing company introduced several measures in May to save more than $1 billion in fixed costs.

Total quarterly revenue fell 29% to $2.24 billion from $3.17 billion a year earlier. Overall gross bookings, including Uber's food-delivery business and other operations, declined 35% year over year to $10.22 billion. The results were broadly in line with Wall Street's already muted expectations. Analysts surveyed by FactSet had forecast revenue at $2.08 billion and gross bookings at $10.53 billion.

The rides segment, despite plummeting ridership, remained profitable on an adjusted basis, signally the company's decision before the pandemic to focus on profitable growth after years of losses is showing results.

The Eats segment lost $232 million in the quarter on an adjusted basis in the cut-throat food-delivery market where profit has largely been elusive. Uber has tried to trim those losses, and the second-quarter results were the best three-month performance for its Eats business.

Last month, Uber agreed to acquire rival **Postmates** Inc. in a tie-up that would allow the company to find savings amid the costly work of building out a delivery empire and to compete with deep-pocketed rivals. The $2.65 billion all-stock deal is expected to close next year. Uber was vying to buy Grubhub Inc. but was beat out by Dutch food-delivery giant Just Eat Takeaway.com NV in a $7 billion deal.

Falling ridership during the pandemic and fierce competition in its food-delivery business aren't Uber's only headaches. Regulators also have Uber and other gig-economy companies in their crosshairs for allegedly misclassifying their workers as independent contractors instead of employees.

On Wednesday, California's Labor Commission said it was suing Uber and rival **Lyft** Inc. for misclassifying their drivers in that way. The state's new gig-economy law, which took effect Jan. 1, seeks to force the companies to classify drivers as employees, making them eligible for benefits such as paid sick leave and health insurance—issues that became front and center during the pandemic.

Uber and Lyft have said their drivers are properly classified under the law. Still, the ride-hailing companies have joined other startups that rely on gig workers and raised more than $110 million to back a ballot initiative for November, asking that voters exempt them from the law.

Adidas Posts Loss But Sees Rebound

By Ruth Bender

BERLIN—**Adidas** AG said it expects revenue to recover in the third quarter as the German sports-gear group's stores continue to reopen and digital sales thrive after the coronavirus lockdowns pushed the company into a net loss in the second quarter.

The world's second-largest athletic gear maker by revenue after Nike Inc. had warned of an even greater hit to sales and profit in the second quarter due to the measures that were taken to contain the spread of the virus around the world.

Adidas swung to a net loss of €295 million ($350 million) in the second quarter compared with a profit of €531 million in the same quarter a year ago, while revenue fell 35% to €3.58 billion from €5.51 billion during the same period. Adidas said Thursday strong online sales growth couldn't offset the loss incurred by the closure of 70% of its stores during the peak of the pandemic. It had warned that sales could drop as much as 40% in the quarter.

The company saw the sharpest drop in sales in Latin America and emerging markets, where they fell over 60% in the quarter. Sales in North America fell 38% and by 40% in Europe, Adidas said. In Greater China, its biggest individual market, sales were flat in the quarter.

Adidas shares rose 1.9% in trading Thursday as the revenue drop was better than what analysts had expected.

Adidas said revenues started to improve again toward the end of the second quarter with some 83% of Adidas stores operational again at the end of June, albeit partly with reduced hours. While traffic in stores remains below prior year levels, those people who do visit stores tend to spend more, Adidas said.

"We are now seeing the light at the end of the tunnel," said Chief Executive Kasper Rorsted, who this week was extended at the helm for another five years.

Puma SE, Adidas's smaller German rival, last month also pointed to the beginning of a recovery. After a 55% drop in sales in April, Puma said sales in July were flat again.

Online sales have helped Adidas and other retailers cushion some of the declines this quarter. Sales through Adidas's own e-commerce channels rose 93% in the quarter as consumers shifted to remote purchases during the pandemic. In April and May, online sales grew at a triple-digit rate and have remained strong even as stores reopened, boosted by increased investments into marketing products online and Adidas's supply chain, the company said.

Adidas said it expects sales to improve materially in the third quarter but to still be down at a mid-to-single-digit rate compared with the same period last year.

Operating profit is projected to swing back to a profit in the third quarter of between €600 million and €700 million, provided there are no further lockdowns.

Adidas has faced criticism about its work culture and lack of diversity amid the Black Lives Matter movement, leading to the company's global head of human resources retiring in late June.

XINHUA/ZUMA PRESS

Toyota said it expected global sales to reach year-earlier levels by the end of 2020. The car maker's factory in Valenciennes, France, where operations restarted in late April.

Toyota Expects $7 Billion Profit

By Sean McLain

TOKYO—**Toyota Motor** Corp. sees sales rebounding from the coronavirus pandemic faster than it initially expected, leading the auto maker to bolster its sales projections and forecast a nearly $7 billion profit for the full year.

The Japanese company said Thursday that it sold around 200,000 more vehicles than anticipated in the April-to-June quarter. It now expects to sell 7.2 million vehicles in the financial year ending in March 2021, up from a May forecast of seven million but still well below the previous financial year's total of nearly nine million. Those figures mostly don't include vehicles sold through Toyota's joint ventures in China.

Toyota said it expected global sales to reach year-earlier levels by the end of 2020 and to start growing early in 2021.

For the year ending in March, it forecast net profit of ¥730 billion ($6.9 billion), a 64% decline, while revenue is expected to decline 20% to ¥24 trillion ($227 billion).

Strong performance in China, where sales are already rising compared with year-earlier levels, was a key reason for the relative optimism, a company official said. But he added that the U.S. and Europe were recovering as well.

"The pace of recovery is faster than expected in each of our regions," he said.

In the U.S., one of Toyota's biggest problems is getting enough cars to dealers. There was a 41-day supply of Toyotas in July, compared with 115 days in April, according to Jefferies. A healthy level is generally thought to be around 60 days, showing that the company has quickly gone from a glut to a shortage.

Toyota now says its U.S. sales recovery rests on whether it can manufacture enough vehicles.

The results underline the relative health of Toyota compared with its peers. **Honda Motor** Co., a company half Toyota's size, is forecasting a profit of slightly more than $1.5 billion for the current financial year. **Nissan Motor** Co., in the midst of a restructuring, has projected a net loss topping $6 billion.

Car makers around the world faced a crisis after lockdowns associated with the pandemic cut foot traffic to dealers. The focus shifted to survival as they threw out growth plans and hoarded cash.

> 'The pace of recovery is faster than expected in each of our regions.'

Toyota was one of the first companies to talk about a recovery plan. In May, Toyota Chief Financial Officer Kenta Kon said he believed the market had already hit rock bottom and would rebound. At the time, it was a bullish prognosis. Now, most car makers believe sales will continue to rebound.

General Motors Co.'s finance chief said last week that GM could post $4 billion to $5 billion in operating profit in the second half of 2020 if U.S. car sales remain resilient and Covid-19 doesn't disrupt factories.

Tesla Inc., which recently surpassed Toyota as the world's most valuable car company, also reported a surprisingly large profit for the April-to-June quarter.

Ford Motor Co., which earlier this week named a new chief executive, has said its factories have recovered nearly to prepandemic levels, and the company last week signaled a third-quarter profit.

KIYOSHI OTA/BLOOMBERG NEWS

Over 10 million copies of 'Animal Crossing: New Horizon' were sold.

Nintendo's New Game Drives Strong Quarter

By River Davis

TOKYO—**Nintendo** Co.'s latest "Animal Crossing" videogame, a lockdown favorite, helped the company record its best April-June quarter in 12 years.

Profit in the quarter, typically a quiet period in an industry that relies on holiday-season sales, increased by more than six times from a year earlier to ¥106 billion ($1 billion). That was the best April-June figure since 2008, when the Nintendo Wii was at the height of its popularity.

The company sold 10.6 million copies of "Animal Crossing: New Horizons" in the latest quarter, leading total software sales to more than double year over year. Sales of the Switch game machine nearly tripled to 5.7 million units.

Gamers in the U.S., stuck indoors, have found solace playing "Animal Crossing." In the game, players take the role of a character living on a deserted island, fishing, planting trees and crafting items to pass the time. The Americas made up close to 40% of Nintendo's sales for the quarter.

The first edition of "Animal Crossing" was released nearly two decades ago for the Nintendo 64.

"People do seem to be looking for some kind of escape from reality. The entire home entertainment business did well this quarter," said a Nintendo spokesman.

Exide Bankruptcy Sale Approved

By Peg Brickley

Exide Technologies LLC won bankruptcy court approval to sell its Americas battery business to an affiliate of **Atlas Holdings** for $178.6 million.

The buyer is Atlas Capital Resources, a fund managed by Atlas Holdings, a manager of investments in industrial manufacturing and distribution businesses.

Judge Christopher Sontchi approved the sale Thursday at a hearing in the U.S. Bankruptcy Court in Wilmington, Del., where Exide is proceeding through chapter 11 for the third time.

Earlier bankruptcies chopped down Exide's debt load, but the company's revenue failed to catch up.

The current bankruptcy, which began in May, offers hope in the form of a settlement with federal and state environmental authorities over contamination left behind by Exide's operations.

Over the years, the maker and recycler of lead-acid batteries for cars and industrial use has closed sites, including a major facility in Vernon, Calif., that had been contaminated with pollution.

Exide's contaminated sites are destined for abandonment, with regulators left to clean up once the company wraps up its corporate affairs.

Litigation with California regulators over the Vernon plant that began during a 2013 chapter 11 case continued as late as March. Terms of the new agreement are being presented to assorted regulators for approval, after mediations between Exide and the U.S. Environmental Protection Agency and agencies in more than a half-dozen states.

Atlas topped an offer from lead mogul Howard Meyers's Quexco Inc., a rival of Exide's in the lead recycling business, at a bankruptcy auction, and agreed to hire Exide workers to work at the acquired operations.

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Apple Woos Corporate Clients With Customer Chat Service

By Ann-Marie Alcántara

Apple Inc. is moving deeper into customer service for businesses.

Its Apple Business Chat, which became widely available last month after a period in beta testing, lets customers message participating companies on an iPhone, iPad, Apple Watch or Mac computer with a button that can appear across the Apple ecosystem, such as in Maps, and on the companies' websites and apps.

Apple Business Chat is part of a growing effort to help businesses improve their relationships with customers, collect feedback and even make new sales.

That has become more possible, and important, as consumers increasingly use digital tools to interact with companies, a trend that has accelerated during the coronavirus pandemic, according to Arun Sundararajan, a professor at New York University's Stern School of Business.

RICHARD B. LEVINE/ZUMA PRESS

David's Bridal says Apple Business Chat makes up 25% to 30% of its overall messaging volume.

"The opportunities that businesses have for in-person customer relationship-building are going to be vastly diminished over the next couple of years," Prof. Sundararajan said.

Improving technology will eventually make digital messaging channels such as Apple Business Chat or Facebook Inc.'s Messenger more important to customer service than phone calls, Prof. Sundararajan added.

The costs of customer service can add up. Companies with an average revenue of $3 billion can expect to have an estimated $75 million budget for customer service and support, said Brad Fager, director of customer service and support at Gartner Inc., a research firm.

Major players that provide customer service and support-related technologies include Zendesk Inc., Salesforce.com Inc. and HubSpot Inc.

Apple doesn't charge businesses to use Apple Business Chat. It aims to benefit from the way the tool encourages people and businesses to use Apple programs like Maps and Apple Pay.

Tech companies' drive to create ecosystems that consumers never have to leave is one of the strategies now under scrutiny from regulators and politicians, including at a congressional hearing into their business practices last week.

Freshly Inc., a prepared-meal subscription company, uses Apple Business Chat partly for the tool's Picker feature, which presents a list of options for consumers to choose from. With the Picker, Freshly can route customers to the correct customer-service agent without asking customers to type a lot of details, said Colin Crowley, vice president of customer experience at Freshly.

The company averages six to seven messages per conversation on Apple Business Chat, compared with roughly four messages in standard text interactions with customers.

People are open to longer conversations on Apple Business Chat because they don't have to respond right away, the way they do in an online chat or live phone call, Mr. Crowley said. From Freshly's perspective, service agents can also handle more consumers at once.

"Because you have that built-in efficiency, I would say having longer conversations isn't necessarily a bad thing in the messaging channel," Mr. Crowley said.

Wedding gown retailer David's Bridal Inc. uses Apple Business Chat and a custom-built geo-routing capability from LivePerson Inc., a messaging software company, to connect customers to an employee who works at the store closest to them. It also lets the store employee know who the customers are when they come in.

Linking the digital and bricks-and-mortar experience can lead to a potential increase in brand loyalty, said Holly Carroll, vice president for customer service and contact center operations at David's Bridal. The retailer is working to expand the tool's use by adding more stores to the Chat Suggest tool, among other things.

David's Bridal began using Apple Business Chat about a year ago and it currently makes up 25% to 30% of the company's overall messaging volume. The retailer aims to increase that figure to 40% by the end of the summer.

Cybersecurity Chiefs Attain New Visibility

By Catherine Stupp And James Rundle

Corporate cybersecurity leaders are gaining prominence within companies as they grapple with rising security threats during the coronavirus pandemic.

Companies have faced an onslaught of attempted cyberattacks since the start of the pandemic as employees receive huge volumes of phishing and scam emails and hackers aim ransomware at healthcare providers.

To make it through the turbulence, companies around the world and in every sector are relying on security experts who were sometimes sidelined by management in the past, but are now rising in the executive ranks.

The role for corporate security chiefs now goes well beyond tech bugs and hacker tracking to encompass broader business risks.

"They're becoming much more visible," said Andrea Bonime-Blanc, chief executive of GEC Risk Advisory LLC, a New York-based firm that advises boards and executives about cybersecurity and risk management.

Many corporate security chiefs have historically reported to technology managers. But that relationship was already starting to change, and the pandemic is accelerating the shift, according to Michael Piacente, the co-founder and managing partner of Hitch Partners, a recruiting firm that specializes in finding cybersecurity and technology professionals.

"Executives and boards are bringing them into the fold a lot more often," he said. "The executives and the board recognize that they're a trusted adviser on what's going on right now."

At Bayer AG, senior leaders from business units such as the pharmaceutical and consumer health division turned to the company's chief information security officer, or CISO, Gary Harbison, with questions about cybersecurity issues they learned about in the news. His goal was to help them understand the new threats, he said.

At some companies contemplating at least a partial return to the office, security chiefs are helping shape the plan with other senior executives.

Lou Modano, Nasdaq Inc.'s chief information security officer, said companies should examine how they reacted to the pandemic's early phases to inform how they prioritize security and plan for such events in the future. Organizations that were ill-prepared found they had to rapidly change their security approach, he said.

"That caused holes in their environment, that caused gaps and increased the attack surface," he said.

> 'Executives and the board recognize that they're a trusted adviser.'

CISOs are in the spotlight as companies deal with the effects of the virus, but they are more likely to retain their newly elevated status if they have experience in related areas such as risk management, said Ms. Bonime-Blanc of GEC Risk Advisory.

CISOs were called in to brief the boards of directors, including the audit committees, at several large companies, said Carolyn Dittmeier, chairman of the audit committee of Italy-based insurance firm Generali Group. Ms. Dittmeier, who also serves on the boards of Illycaffè North America Inc. and chocolate maker Ferrero International SA, said she has attended videoconference calls with the CISOs from different companies, along with other board members.

BARRON'S

STREETWISE

WITH JACK HOUGH

"Microsoft could arguably start stating that they're one of the biggest social media companies. All the moons have lined up above Seattle for this."

- Scott Galloway, Professor of Marketing, NYU

Tik Tok and the Tech Titans

With other tech giants facing antitrust scorn, Microsoft could walk away with a social media gem. Is that a good thing? NYU professor Scott Galloway weighs in.

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T-Mobile Overtakes AT&T As No. 2

By Drew FitzGerald

T-Mobile US Inc. said it vaulted ahead of **AT&T** Inc. in the race for wireless customers to become the country's second-largest cellphone carrier.

The Bellevue, Wash., company ended June with 98.3 million U.S. customers, excluding wholesale subscribers on other brands that use its network. AT&T reported 92.9 million prepaid and postpaid customers, a tally that didn't count wholesale accounts or connected devices such as Wi-Fi hot spots and car sensors. T-Mobile included nonphone gadgets like wireless hot spots in its reported customer base.

Despite the different reporting policies, T-Mobile was long expected to climb the wireless rankings after it closed its merger with rival Sprint in April. The merger effort prevailed after a more than two-year battle with regulators and antitrust enforcers that culminated in a federal antitrust trial brought by a coalition of state officials. The transaction created a larger mobile-service provider with a market value topping $100 billion controlled by German parent company, **Deutsche Telekom** AG.

"We're staring down Verizon with our sight set on the No. 1 spot," T-Mobile Chief Executive Mike Sievert said Thursday during a videoconference with financial analysts. **Verizon Communications** Inc. ended June with 119.9 million wireless connections, a figure that also counted smartwatches, tablets and other machines aside from smartphones.

T-Mobile's second-quarter results showed it also weathered the coronavirus pandemic better than its competitors, adding 253,000 postpaid phone customers during the period.

NBCUniversal Revamps Operations

By Joe Flint

NBCUniversal has reorganized its entertainment unit and shuffled its executive ranks as part of a consolidation effort aimed at better positioning the company for the streaming era.

In the new structure, **Comcast** Corp.'s NBCUniversal is breaking its entertainment operations into separate business and creative units. Those units will be in charge of content creation and distribution for NBCUniversal's various broadcast, cable and streaming platforms.

The restructuring has been in the works for several months under new NBCUniversal Chief Executive Jeff Shell, who is attempting to break down the fiefs at NBC's various programming platforms, including the NBC broadcast network and cable channels USA, Bravo and E!, which all have their own distinct programming and business operations.

NBCUniversal has filled most of the new positions in the reorganization with current senior executives. However the head of content for all its programming platforms hasn't been named yet. The company is looking at internal and external candidates for what will essentially be the role of chief content officer.

As a result of the new organizational structure, NBC broadcast network entertainment chief Paul Telegdy is leaving the company. Mr. Telegdy had been operating under a cloud for the last week as NBCU launched an investigation into the culture of his unit after a story in the Hollywood Reporter alleged a toxic and misogynistic environment in the unit.

TRAE PATTON/NBC/GETTY IMAGES

NBC broadcast network entertainment chief Paul Telegdy, who helped develop 'The Voice,' is leaving.

Mr. Telegdy declined to comment on his departure.

Moving up in the redesign of the operation is Frances Berwick, who currently oversees the Bravo, E! and Oxygen cable networks. In her new role, she will head the business operations and deal making for content across all the company's entertainment operations.

The direct-to-consumer operations of NBCUniversal, which include its new Peacock streaming service, will continue to be overseen by Matt Strauss. While Peacock will maintain much of its own business operations, content acquisition and creation will be part of the new entertainment operations under Ms. Berwick and the soon-to-be-named content chief. Both Mr. Strauss and Ms. Berwick will report to Mark Lazarus, chairman of NBCUniversal Television and Streaming.

"With the power of NBC and the broadcast model, coupled with the strong cable entertainment brands and the new addition of Peacock, we have massive scale and a deep library of valuable content that can live across platforms," Mr. Lazarus said in a statement.

The future of Mr. Telegdy at the company had been up in the air prior to NBCU's investigation into his unit, people familiar with the matter said. Mr. Shell's desire to appoint a new chief of content over all the NBCUniversal programming operations would have undercut his role and autonomy at the NBC network.

Mr. Telegdy has been subject of accusations by Gabrielle Union, a former co-host of the network's "America's Got Talent" show. Ms. Union alleged in a complaint filed in June with California's Department of Fair Employment and Housing that he threatened her job after she had expressed concerns about racism behind the scenes of the hit show. NBC denied the claims.

The probe into the NBC entertainment unit will continue after Mr. Telegdy's exit, a person familiar with the matter said. Mr. Telegdy rose up the ranks of NBC after establishing a successful record developing unscripted shows. Programs he helped develop include "The Voice," "Little Big Shots" and "American Ninja Warrior."

NBCUniversal's entertainment operations aren't the only units undergoing change. Earlier this year, Mr. Shell consolidated NBC's news operations under executive Cesar Conde. The reorganization, as well as the effect of the coronavirus on the company's advertising and theme park, has led to dramatic cuts throughout the company that began earlier this week.

News Corp's Loss Widens on Weak Ad Revenue

By Lukas I. Alpert

News Corp posted a wider loss for its latest quarter as advertising revenue halved amid the coronavirus pandemic, more than offsetting profit growth at Wall Street Journal parent Dow Jones & Co. and at the company's video-subscription unit.

The New York-based company, which owns the Journal, HarperCollins Publishers and newspapers in the U.K. and Australia, said its fiscal fourth-quarter loss was $397 million, or 67 cents a share, compared with a loss of $51 million, or 9 cents a share, a year earlier. The wider loss was partly due to noncash impairment charges of $292 million and higher restructuring costs related to the coronavirus outbreak, News Corp said.

Results were heavily affected by the pandemic as well as a decline in revenue related to the sale of the company's supermarket coupon business, News Corp said. When adjusted to remove impairment and restructuring charges, the loss amounted to 3 cents a share, the company said.

Revenue fell 22% to $1.92 billion from $2.47 billion. Of that decline, $330 million was attributable to the negative impact of the pandemic and 7%, or $179 million, to the loss of contributions from News America Marketing, which was sold earlier this year, the company said.

News Corp's advertising revenue was the most heavily affected, dropping 52% to $332 million.

"Virtually all of our businesses prudently reduced costs, sometimes painfully, to ensure that they were robust enough to cope with volatility and disruption," Chief Executive Robert Thomson said in a call with analysts. "Conserving cash is a priority."

The company for the first time broke out reporting for its Dow Jones unit, which publishes the Journal, MarketWatch, Barron's and others. The unit reported a 4% decline in revenue to $381 million, largely due to advertising declines. It saw a 13% rise in segment earnings to $60 million, the company said.

AMD Chief Invigorates Chip Maker

Continued from page B1

constrained, it's, 'OK, I have two bets.' But now I can have 10 bets."

An engineer who once served as technical assistant to renowned **International Business Machines** Inc. CEO Louis Gerstner, the 50-year-old Ms. Su is credited with several decisions that put AMD in position to win the high-speed computing race. She shifted its strategy for outsourcing semiconductor manufacturing and embraced a radical redesign of its chips.

AMD was flailing when Ms. Su was appointed CEO in 2014. Poor chip-design choices and manufacturing delays had erased a strong run in the mid-2000s.

"I used to have conversations with distressed-asset investors about what the company was worth in a liquidation breakup," said Stacy Rasgon, an analyst at Sanford Bernstein & Co. "That's where a lot of the thinking was going back then."

In taking over, Ms. Su faced a high-stakes choice. Conventional wisdom in the chip industry said that desktop computers, and the processors that power them, were becoming a less important market. The future, the thinking went, belonged to powering items such as mobile phones and chromebooks.

AMD had started investing in chips optimized for such devices, but its strength was in making the central processing units, or CPUs, that run desktop and laptop computers and servers, as well as graphics processors that handle image displays in computers and game consoles like **Microsoft** Corp.'s Xbox.

Ms. Su opted to double-down on those core products. Others, like chips for phones and tablets, took a back seat.

Her decisions paid off—especially lately. AMD's revenue from CPUs and graphics processors rose to $4.71 billion last year, from $1.81 billion in 2015. During the pandemic, demand for servers and laptops has boomed while smartphone shipments this year are down.

That outcome owes a lot to another bet Ms. Su placed five years ago, when she signed off on a new design, and lined up manufacturing to embed it in chips with the tiniest and most efficient transistors in a bid to make them faster than Intel's.

There was a hitch, though. AMD had a deal requiring it to manufacture with Globalfoundries Inc., a contract chip maker AMD had spun off in 2009. Ms. Su wanted more options.

Despite AMD's financial straits, she agreed in 2016 to pay Globalfoundries $325 million to exit from the supplier arrangement. That freed AMD to turn to **Taiwan Semiconductor Manufacturing** Co., the world's largest contract chip maker, which in recent years has jumped ahead of Intel in its ability to shrink the circuitry on chips.

> **In an industry of proud geeks, Ms. Su fits right in, with three MIT degrees.**

"So the strategy was, let's get the flexibility we need to use the best technology out there," Ms. Su said.

The new chips have been selling fast, largely because they have measured up to their performance and price promise, and have been delivered on time.

In an industry of proud geeks, Ms. Su fits right in, earning bachelor's, master's and doctorate degrees in electrical engineering at the **Massachusetts Institute of Technology**. She joined **Texas Instruments** Inc. before moving to IBM, where she got a taste of the CEO role while serving briefly under Mr. Gerstner.

"We intentionally wanted her to get exposure to how a senior CEO thinks," said John Kelly, a senior IBM executive who was a mentor to Ms. Su.

To focus on semiconductors, Ms. Su left Big Blue in 2007 to become chief technology officer at chip maker **Freescale Semiconductor** Inc., before joining AMD in 2012. When she was named CEO two years later, she became one of the most powerful women in the male-dominated tech industry. She also serves on the board of networking giant **Cisco Systems** Inc.

AMD's success under Ms. Su has been aided by Intel's recent struggles. The chip-making giant that has dominated the market for decades has encountered multiple setbacks, and last month shook up its engineering team after its latest misstep.

"Obviously, this year has been an incredibly challenging year on multiple fronts," Intel Chief Executive Bob Swan said last month.

AMD's resurgence hasn't been without challenges. In the market for servers—the computers that go into huge data centers run by companies such as **Amazon.com** Inc. and Microsoft—it has gained ground, but not as fast as some analysts expected. The buyers of those chips typically place long-term bets and, industry officials said, AMD still has to convince many that its current strength isn't a fluke. AMD has captured just 5.8% of that market as of the second quarter of this year, according to Mercury Research.

The hot graphics-chips market also has been difficult. AMD is going up against another highflier, **Nvidia** Corp. Amid the intense rivalry, Nvidia CEO Jensen Huang, who once worked at AMD, credits Ms. Su for her company's turnaround.

"During her tenure, the intense focus on product execution has been fabulous,." he said in an interview.

And Intel is still far larger, with $72 billion in annual revenue, compared with AMD's $6.73 billion.

Ms. Su says AMD's next move will target the growing market for specialized hardware to handle complex artificial intelligence computations—an area with tough competitors, including Nvidia.

"I always told her to run toward problems," IBM's Mr. Kelly said, recalling his reaction when she was appointed CEO. "My second thought after I said, 'Go Lisa!' was, 'Oh boy, she took that advice.'"

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Glencore Posts Loss, Cancels Dividend

By Alistair MacDonald

LONDON—Commodities giant **Glencore** PLC reported a loss for the first half of the year and scrapped its dividend, as the coronavirus pandemic sapped demand and lowered prices and production at its mining division.

The global miner and commodities trader, though, reported record profits on its trading floor, but investors sent shares down sharply. Glencore stock was down more than 8% in London.

Glencore said the outlook remains uncertain in the short term and it will focus on reducing debt down to $16 billion by the end of 2020.

To help reduce that debt, it is scrapping a $2.6 billion dividend, the first time it has canceled its payout since 2016, when its shares plunged on concerns over leverage.

BRENDON THORNE/BLOOMBERG NEWS

The company said the outlook remains uncertain in the short term.

The FTSE 100 miner posted a net loss of $2.6 billion for the six months ended June 30 compared with a $226 million profit a year earlier. This was driven by impairments of $3.2 billion as a result of lower commodity prices related to the uncertainty arising from the pandemic.

Adjusted earnings before interest, taxes, depreciation and amortization fell to $4.83 billion from $5.58 billion, beating market consensus.

The company benefited from record earnings of $2 billion in its trading division, with oil in particular generating money—$1.27 billion in profits—amid historic volatility caused by the economic effects of coronavirus.

In capitalizing on trading opportunities the company increased its leverage, helping make debt reduction a priority, executives said.

"It's a strong performance under the challenging conditions related to coronavirus," said Ivan Glasenberg, Glencore's chief executive.

The commodities it mines and drills for were particularly hard hit by the effects of coronavirus.

Copper prices fell 11% in the period, thermal coal was down 16%, zinc was down 25% and oil down 36%.

The miner doesn't produce, to any great degree, the commodities that have performed well during the pandemic, including iron ore and precious metals like gold.

Glencore said that commodity prices were improving in the second half, including a rise in oil of about 10%.

"There is a very positive upside momentum going into the second half," said Chief Financial Officer Steven Kalmin.

The company's shares have lagged peers by 12% over the past 12 months, according to RBC, which said questions remain for the miner on its environmental, social and governance issues, the leadership succession and the various regulatory investigations.

Glencore said in July 2018 that it had received a subpoena from the U.S. Justice Department, demanding records related to its compliance with American antibribery and money-laundering laws in Congo, Nigeria and Venezuela. It has said it is cooperating with the probe.

Glencore has also said it is the subject of an investigation by the U.S. Commodity Futures Trading Commission.

Mr. Glasenberg declined to comment about the regulatory investigations.

The company is also in the middle of management change, with Mr. Glasenburg having signaled he will step down once a new generation of senior management is in place.

—Jaime Llinares Taboada contributed to this article.

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BANKRUPTCIES

Information to identify the case:
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EIN: N/A
United States Bankruptcy Court for the Southern District of New York
Case Number: 20-11563 (SCC)
Date case filed for chapter 11: 06/30/2020
Official Form 309F1 (For Corporations or Partnerships)
Notice of Chapter 11 Bankruptcy Case 02/20
For the debtor listed above, a case has been filed under chapter 11 of the Bankruptcy Code. An order for relief has been entered.
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To protect your rights, consult an attorney. All documents filed in the case may be inspected at the bankruptcy clerk's office at the address listed below or through PACER (Public Access to Court Electronic Records at www.pacer.gov).
The staff of the bankruptcy clerk's office cannot give legal advice.
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2. All other names used in the last 8 years: None
3. Address: Paseo de la Reforma 243 Piso 25 Mexico City, DF 06500 Mexico
Jointly Administered Cases

Debtor	Taxpayer I.D.
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Aerolitoral, S.A. de C.V.	98-0171109
Aerovías Empresa de Cargo, S.A. de C.V.	98-1014098

4. Debtors' attorney and claims agent: DAVIS POLK & WARDWELL LLP, 450 Lexington Avenue, New York, New York 10017, Telephone: (212) 450-4000, Facsimile: (212) 701-5800, Marshall S. Huebner, Timothy Graulich, James I. McClammy, Stephen D. Piraino (admitted *pro hac vice*)
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5. Bankruptcy clerk's office: Clerk of the United States Bankruptcy Court, One Bowling Green, New York, New York 10004. Hours open: Monday – Friday, 8:30 AM – 5:00 PM (except Federal Holidays), Contact phone: (212) 668-2870. Documents in this case may be filed at this address. You may inspect all records filed in this case at this office or online at www.pacer.gov.
6. Meeting of creditors: August 27, 2020 at 2:00 PM. **In accordance with the Notice of Section 341(a) Meeting of Creditors, the section 341 meeting of creditors for the above-captioned cases will be conducted by telephone conference. All parties wishing to appear shall appear by phone at the section 341 meeting at the Designated Meeting Time. At least five (5) days prior to the Designated Meeting Time, the Office of the United States Trustee will file with the court instructions for the telephonic meeting of creditors.** The debtor's representative must attend the meeting to be questioned under oath. Creditors may attend, but are not required to do so. The meeting may be continued or adjourned to a later date. If so, the date will be on the court docket.
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Your claim will be allowed in the amount scheduled unless: your claim is designated as *disputed*, *contingent*, or *unliquidated*; you file a proof of claim in a different amount; or you receive another notice.
If your claim is not scheduled or if your claim is designated as *disputed*, *contingent*, or *unliquidated*, you must file a proof of claim or you might not be paid on your claim and you might be unable to vote on a plan. You may file a proof of claim even if your claim is scheduled.
You may review the schedules at the bankruptcy clerk's office or online at www.pacer.gov.
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August 7, 2020

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Some Mining Firms Undercount Deaths, Helping Boost Bonuses

By Alistair MacDonald

Mark Roberts died in March 2019 after becoming trapped under the wheels of his truck while delivering coal for global miner **South32** Ltd.

But South32 said in its annual report that it had zero casualties for the financial year and awarded Chief Executive Graham Kerr a bigger bonus for the achievement.

The Australian miner had a further two deaths linked to transport last financial year, the company told The Wall Street Journal. But it said it doesn't account for fatalities when it has no control of the activity, a determination that—in the case of at least Mr. Roberts—goes against guidelines from the industry's main trade body. The company now says it is modifying that policy.

Many other miners, including giants **Anglo-American** PLC and **Glencore** PLC, don't always count transportation deaths in end-of-year tallies, keeping death tolls lower and sometimes allowing executives to get bigger bonuses for so-called zero-fatality years.

In recent decades, companies have made mining much safer—and reported fatalities have fallen. But governments and companies sometimes report statistics in a way that underestimates the true death toll in what remains one of the world's most dangerous professions.

Regulators and investors have increasingly focused on mining safety following the collapse of a mine-waste dam owned by **Vale** SA in Brazil that killed 270 people last year. Last month, at least 162 people were killed after heavy rains triggered a landslide at a mine in Myanmar's largely unregulated jade mining industry.

This year, 16 out of 27 members of the International Council on Mining and Metals reported zero casualties to the trade body—a record in the eight years it has collected this information. But several companies, including Australia's South32, didn't include fatalities in transportation, which the ICMM classifies as occupational deaths.

Miners need to take responsibility for deaths in transport, said Peter van der Werf, an environment, social and governance specialist at Dutch fund manager Robeco, adding that not doing so made it hard to properly judge the safety of the industry.

"It is an essential and high-risk element of their operation, especially because they are transporting with heavy-duty trucks in emerging markets where one of the highest causes of deaths is road accidents," he said, referring to recent studies.

Reporting of mining deaths is inconsistent, with different miners and countries following different rules on what fatalities the industry should be held responsible for.

South32 said the fatalities happened in Mozambique, Colombia and Australia. The deaths weren't mentioned in the company's sustainability report, where miners chart the previous year's safety record.

Mr. Roberts died while unloading cargo from a South32 mine at the Port Kembla Coal Terminal in Australia, according to his brother and a union. Australia's Construction, Forestry, Maritime, Mining and Energy Union said South32 shouldn't have used the terminal, which it manages and partly owns, at the time because workers had been locked out over a contract dispute, leaving it staffed by inexperienced personnel.

South32 and Port Kembla Coal Terminal declined to comment about the incident.

"Sadly, there were three fatalities that occurred which were linked to our business activities, but where we did not have direct control," a South32 spokeswoman said. The company said it reports deaths in accordance with ICMM's guidelines on incidents that occur while the activities are under its direct control.

The ICMM states, though, that deaths resulting from work activities at the "direction of the employer, regardless of location" are occupational injuries and deaths. The trade body categorizes driving for a company as a "controlled activity" and cites examples such as someone driving ore from a mine to a seaport.

A spokeswoman for the ICMM, which represents 27 of the world's largest mining and metals companies, said the rules are guidance for member companies and aren't enforced. She declined to comment on the South32 deaths.

A company executive said South32 intends to disclose future deaths that occur in environments where the company doesn't have direct control in its annual sustainability report, though it still won't classify them as an occupational fatality, which would affect bonuses.

In its annual report, for the financial year ended June 2019, South32 said an absence of reported fatalities was a factor in awarding executive bonuses. Mr. Kerr, the CEO, was awarded pay, including bonuses, of around $4.9 million for 2019. Three years earlier, the company shaved up to 24% off his bonus as a result of deaths at the miner.

"If they are claiming their bonuses for saying they are casualty-free, I believe they are not acknowledging Mark's death," Mr. Roberts' brother, Dean, told the Journal.

Other miners reported zero fatalities, despite employees dying in work-related accidents.

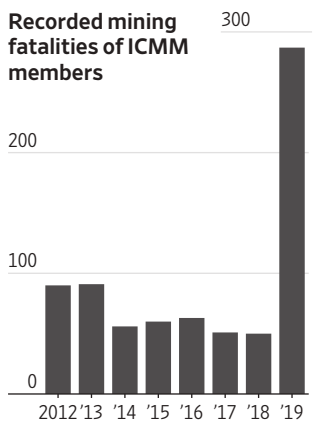
Barrick Gold Corp. reported no deaths in its annual report for last year but did say in its sustainability report that two people working at its Nevada operations died outside a mine when an ore truck collided with a bus carrying commuting workers.

A company executive said one of the deaths was a commuting worker, which the ICMM doesn't require companies to disclose. The other fatality was a contractor, who had dropped off a truckload of ore and was neither on mine property nor on the clock when he died in the crash. The Nevada Highway Patrol's crash report said the truck's driver was "actively driving for his work" and on his shift when the accident happened. Barrick declined to say whether the contractor still had work to complete for the company when he died.

Barrick says it includes only those deaths that happen in a controlled location or activity where it can supervise safety standards.

—David Winning and Chieko Tsuneoka contributed to this article.

Deaths at large mines had been gradually declining until recently, when a mine-waste dam in Brazil collapsed, killing 270 people.



Source: International Council on Mining and Metals

MAURO PIMENTEL/AGENCE FRANCE-PRESSE/GETTY IMAGES

The Vale dam collapse in Brazil that killed 270 people in 2019 put a sharper focus on mine safety.

Capital One Fined Over Massive Hacking

Regulator imposes $80 million penalty and consent order for lax cloud procedure

By AnnaMaria Andriotis

A top banking regulator has fined **Capital One Financial** Corp. $80 million over a 2019 hack that compromised the personal information of about 106 million card customers and applicants.

The Office of the Comptroller of the Currency said the bank failed "to establish effective risk assessment processes" before transferring information-technology operations to the public cloud and "to correct the deficiencies in a timely manner."

Consent orders from the OCC and the Federal Reserve also require the bank to make risk-management changes and beef up its cybersecurity defenses. The bank said it has already made many of the required changes.

"In the year since the incident, we have invested significant additional resources into further strengthening our cyber defenses, and have made substantial progress in addressing the requirements of these orders," said a Capital One spokeswoman in a statement.

The Capital One hack was one of the largest-ever data breaches of a big bank.

Prosecutors have accused Paige A. Thompson of breaking through the bank's firewall to access data that it stored on Amazon.com Inc.'s cloud service.

The hack exposed addresses, dates of birth and self-reported incomes of individuals and small-business owners who applied for Capital One credit cards between 2005 and early 2019. Some Social Security numbers, bank account numbers, credit scores, payment histories and credit-card spending limits also were compromised.

JOHANNES EISELE/AGENCE FRANCE-PRESSE/GETTY IMAGES

The bank said it has strengthened its cyber defenses since data of about 106 million people was exposed.

The bank said controls it had in place before the breach helped it to secure customer information before it could be used and helped authorities catch the alleged hacker. The OCC said its consent order took into account the bank's customer notification and remediation efforts.

Ms. Thompson has pleaded not guilty to charges of wire fraud and computer fraud and abuse. Her trial is scheduled to start next year.

Prosecutors have said that Ms. Thompson began attempting to access the bank's information in March 2019. Capital One learned about the breach months later from an outside researcher.

Before the hack was made public, Capital One employees had raised concerns about what they saw as high turnover in its cybersecurity unit and a failure to promptly install some software that could have helped to spot and defend against hacks, The Wall Street Journal reported last year.

Some of these issues had been flagged to the bank's internal auditors and senior executives, the Journal reported.

Quicken Loans Parent Gains in Debut

By Orla McCaffrey And Corrie Driebusch

Shares of the nation's largest mortgage lender rose in trading Thursday, a day after **Rocket** Cos. scaled back the size and price of its initial public offering.

The company's stock, trading on the New York Stock Exchange under the symbol RKT, closed at $21.51, above its initial offering price of $18 a share. Rocket is the parent of Quicken Loans.

On Wednesday evening, hours before its market debut, Rocket agreed to a lower-than-expected listing price and slashed the size of its offering by one-third. The company had previously planned to sell 150 million shares at between $20 and $22 apiece.

The stock market overall has been rallying even during the coronavirus pandemic, helped by big-name tech companies that appear to benefit from stay-at-home orders. Some potential investors, though, didn't think that Rocket belonged in that category of surging tech giants, and the Rocket management team was willing to come down in price to accommodate them, The Wall Street Journal previously reported.

Rocket said it wanted to attract long-term investors who understand the company's growth plans.

The company hopes to roughly triple its share of the mortgage market to 25% over the next decade, Mr. Farner said.

Rocket's profit rose 46% in 2019 to $892.4 million on revenue of $5.1 billion. Quicken issued $124 billion in mortgages through the first six months of 2020, compared with $54.6 billion over the same period last year, according to research group Inside Mortgage Finance.

◆ Heard on the Street: Blastoff might not last..... B12

Buyout Deal for AXA's European Unit Collapses

By William Louch

U.K. private-equity firm **Cinven**'s planned purchase of a unit of French insurance company **AXA** SA has collapsed, the latest example of how the coronavirus pandemic has stymied deal making.

AXA said Thursday that an agreement it struck to sell its AXA Life Europe business to Cinven had been terminated after failing to meet certain conditions.

A source close to the deal said that the two parties were unable to bridge the gap between their expectations on the unit's valuation, particularly after the Covid-19 pandemic hit.

The announcement ends negotiations that date to Aug. 1, 2018, when AXA disclosed it had received an offer from Cinven for the unit. The private-equity firm initially agreed to pay €925 million ($1.01 billion) for shares in AXA Life Europe with a subsequent distribution of €240 million by the unit to AXA before the deal closed.

AXA Life Europe is a specialized platform that designs, manufactures and distributes AXA's variable annuity products across Europe.

The pandemic has hampered private-equity deals around the globe. Private-equity firms world-wide announced $180 billion in acquisitions in the first half of the year, 36% less than the first half of 2019, according to a report released late last month by Ernst & Young Global Ltd. Activity has been depressed by several factors, including a lack of debt financing and a mismatch in pricing expectations between buyers and sellers.

A handful of deals that had already been agreed to have been canceled or renegotiated at lower prices. In May, U.S. private-equity firm Sycamore Partners and Victoria's Secret owner L Brands Inc. agreed to scrap a deal for the lingerie retailer.

The $1 billion private-equity deal is the latest to be sunk by the pandemic.

AXA said that it is continuing to review strategic options with regard to the AXA Life Europe unit it had agreed to sell to Cinven.

The Paris-based company, one of Europe's largest insurance groups, saw earnings fall by 48% to €1.9 billion through the first six months, with the fall driven largely by claims related to the pandemic.

Cinven is one of Europe's best-known private-equity groups and is currently investing from a €10 billion fund that it closed last year.

JESSICA PONS FOR THE WALL STREET JOURNAL

Jacob Gonzalez of Chino Hills, Calif., is a fractional-shares trading enthusiast, often spending $4.20 a purchase as an allusion to cannabis.

Fractional Trading Is Embraced

Continued from page B1

Jacob Gonzalez, 34 years old, who trades fractional shares on Fidelity and Robinhood. "I've got Tesla now. I've got Amazon."

In about 80% of fractional trades, Fidelity says, the customer specifies a dollar amount—for instance, spending $500 to buy a slice of a share of Amazon, which closed at $3,225.00 a share on Thursday.

Fidelity customers can also specify what percentage of a share they want to buy.

Robinhood wouldn't disclose how many customers use fractional trading, but it says millions of people joined a wait list for fractional trading after the company unveiled plans for the feature in December. Since then, the most popular stocks for fractional trading at Robinhood have been Tesla, Amazon, **Apple** Inc., **Microsoft** Corp. and **Netflix** Inc., a company spokeswoman says. Shares of those companies are each up at least 37% this year, compared with a 3.7% rise in the S&P 500.

Mr. Gonzalez, a resident of Chino Hills, Calif., said he lost his information-technology job in March and has less than $10,000 in his portfolio. He recently began doing deliveries for food-delivery service DoorDash. A proponent of cannabis legalization, Mr. Gonzalez said he often spends $4.20 on stock purchases. The number 420 is a popular slang code for cannabis consumption among marijuana enthusiasts.

Kelli Hernandez, a 31-year-old in Salem, Ore., joined Robinhood this year and bought stocks including **Novavax** Inc., which is developing a coronavirus vaccine. In June, Robinhood gave her access to fractional trading. Ms. Hernandez, who works as an operations manager in a nursing home, has used the feature to add more Novavax—whose share price has surged this summer—and to invest in Amazon, Apple and Netflix.

"If I could turn that around and buy a nice rocking chair for my nursery, that would be a win for me," said Ms. Hernandez, who is expecting a baby this fall.

The ability to hold fractional shares isn't new. Investors have been able to amass portions of shares for decades through dividend-reinvestment plans, in which a company's dividend payouts are plowed back into purchases of its shares. What is new is the ability to freely trade partial shares during market hours. Brokers like Fidelity and Robinhood can now execute fractional orders immediately, much as they execute ordinary orders to trade stocks or exchange-traded funds.

Research has shown that trading frequently isn't good for investors, and a simple buy-and-hold strategy works best over the long run. Fractional trading will likely tempt some novice investors to try stock picking, said Terrance Odean, a finance professor at the University of California, Berkeley. Still, he added, that shouldn't be excessively risky, because such investors generally buy small quantities of stock.

"Will this encourage some speculation? Probably some," Mr. Odean said. "But it's going to be speculation with a lot less money than if people were forced to buy whole shares."

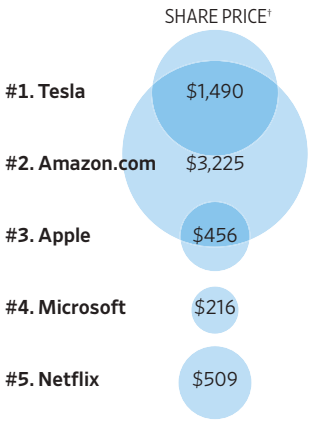
Besides the big online brokerages, an array of financial-technology startups offer fractional trading, including **M1 Finance** LLC, **Social Finance** Inc. and **Square** Inc. One app based on fractional trading, **Public.com**, is backed by investors including Hollywood actor Will Smith's venture-capital firm and National Football League star J.J. Watt.

Not all apps work the same. M1 and Social Finance's SoFi app execute fractional trades only once or twice a day, accumulating customer orders to buy or sell slices of stock and executing them together. That exposes investors to the risk that a stock price could swing sharply in the hours between when the order is placed and when it is filled.

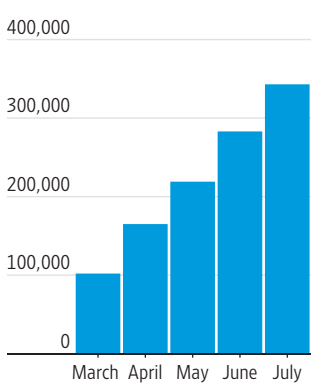
An M1 spokesman said the firm caters to long-term investors and its approach discourages unproductive trading. A Social Finance spokesman said the firm was working on supporting real-time execution.

Fractional trading has surged in popularity. Many investors are using it to buy high-priced stocks, such as Amazon.com and Tesla.

Top five stocks for fractional trading at Robinhood app*



Number of accounts at Fidelity Investments that have done fractional trades‡



*Based on number of customers who have traded the shares since introduction of fractional trading in December; through Wednesday. †Prices as of Thursday. ‡Fidelity introduced fractional trading for all of its customers in February.
Sources: Robinhood (ranking); FactSet (prices); Fidelity (accounts)

Intel's Venture-Capital Investment Chief Exits

By Tomio Geron

Wendell Brooks, **Intel** Corp.'s head of venture investing and mergers and acquisitions, has resigned from the company.

The venture arm he led, Intel Capital, had been one of the more prolific corporate venture investors but in recent years it has tightened its focus.

Mr. Brooks, president of Intel Capital and a senior vice president at the parent company, announced the move internally earlier this week, according to people familiar with the matter. Intel confirmed that Mr. Brooks was leaving.

"Wendell Brooks has resigned from Intel to pursue other opportunities. We thank Wendell for all his contributions and wish him the best for the future," an Intel spokesperson said in a statement. "Intel remains committed to strategic M&A, venture capital and our strong portfolio of Intel Capital-backed companies."

Intel Capital had been one of the larger corporate venture firms over the years but has tightened its focus in recent years to technologies related to its parent company. Since 1991, Intel Capital has invested $12.9 billion in more than 1,582 companies globally, and 692 portfolio companies have gone public or participated in a merger, Intel said.

Anthony Lin, who has led mergers and acquisitions and international investing under Mr. Brooks, will lead Intel Capital temporarily while a search for a new president is conducted, the spokesman said. Mr. Lin joined Intel's mergers and acquisitions team in 2008.

Intel Capital, with about 300 portfolio companies, invested $225 million including 11 new investments and 26 follow-on deals in the first half of 2020, according to an email Intel Capital sent to its portfolio companies announcing the changes. Intel led more than 80% of its new deals in the first half of 2020, the email stated.

"We expect to end the year having invested more than $500 million. We also expect 2020 to be a very strong year of portfolio exits, notwithstanding macroeconomic conditions," the email stated.

Intel Capital, which invests in areas including artificial intelligence, autonomous vehicles, 5G telecom technology, data centers and cloud, also in July invested $250 million into Jio Platforms Ltd., the company running India's largest telecom provider by subscribers.

Substantial acquisitions under Mr. Brooks included autonomous-car camera company Mobileye NV, which was bought for $15.3 billion. Mr. Brooks, an engineer and former investment banker, took the top role at Intel Capital in 2015.

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Calpers Investment Chief Departs

By Heather Gillers And Dawn Lim

California Public Employees' Retirement System Investment Chief Ben Meng has resigned after about a year and a half in the position at the nation's largest pension fund, according to the fund.

The resignation was effective Wednesday. Dan Bienvenue, deputy chief investment officer, will serve as interim chief investment officer. He had been scheduled to have at least one group call with staff on Thursday, a person familiar with the matter said.

A prominent board member expressed disappointment Thursday morning over what she said was Mr. Meng's failure to adhere to conflict-of-interest rules. California State Controller Betty Yee said in a statement that she is "incredibly disappointed to hear about the former CIO's lapse in both judgment and adherence to standard conflict-of-interest policies" and has called for an emergency board meeting to discuss the situation.

Mr. Meng was quoted in the Calpers news release saying "at this time it's important for me to focus on my health and on my family and move on to the next chapter in my life." Calpers didn't have any additional comment. It marks an abrupt exit for the investment chief, who set out to implement a reform agenda at the giant pension. Mr. Meng cut ties with a real-estate developer on a high-profile hometown property project, fired underperforming stock pickers and pushed staffers to take a closer look at private asset valuations.

The California Fair Political Practices Commission on Tuesday received a complaint about Mr. Meng, according to spokesman Jay Wierenga. The FPPC investigates civil violations of laws concerning political campaign spending disclosures and public officials' conflicts of interest. The agency will review the complaint to determine whether it is worthy of an investigation, Mr. Wierenga said.

Mr. Meng is required to file a statement of economic interest with the FPPC listing his investments. A statement by Calpers board President Henry Jones sent said the fund "has known about questions regarding Ben's Fair Political Practices disclosure filings. These are private personnel matters and already have been addressed according to our internal compliance protocols."

The statement said Calpers' board will meet Aug. 17 "to discuss personnel matters."

Mr. Meng joined the nation's largest pension fund in January 2019 from a position as deputy chief investment officer of China's State Administration of Foreign Exchange, the agency in charge of China's more than $3 trillion in foreign reserves. Mr. Meng, who is from China and became a U.S. citizen, worked for the California pension fund from 2008 to 2015.

The $409 billion pension fund has wrestled with frequent turnover over the past several years. The pension's former No. 2 investment official, Elisabeth Bourqui, left in January 2019, after holding the role of chief operating investment officer for just over six months. That year, the fund added its first permanent private-equity chief in two years.

Calpers Chief Executive Marcie Frost hired Mr. Meng to bring more experience to the role. Before working at China's State Administration of Foreign Exchange and at Calpers, Mr. Meng had stints at **Morgan Stanley** as well as Barclays Global Investors.

CALPERS

Ben Meng's resignation marks an abrupt exit after about a year.

Lower Jobless Claims Lift Stocks

By Caitlin Ostroff And Juliet Chung

Stocks rose as the number of Americans applying for unemployment benefits came in below expectations.

The tech-heavy Nasdaq closed at a record, increasing 1%, or 109.67 points, to 11108.07 in its fourth consecutive record close and continuing the strong run of technology giants this year. The S&P 500 rose 0.6%, or 21.39 points, to 3349.16 and the Dow Jones Industrial Average added 185.46 points, or 0.7%, to 27386.98.

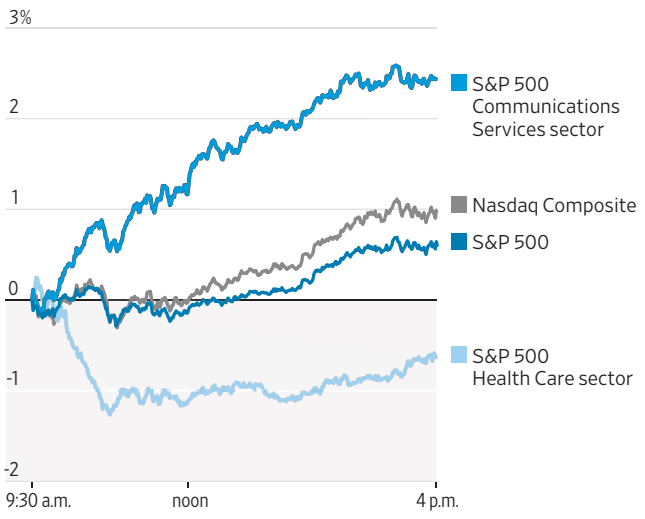
THURSDAY'S MARKETS

Driving the trading, about 1.2 million people filed new claims for unemployment benefits for the week ended Aug. 1, fewer than the 1.4 million analysts expected but still at historically high levels.

Ram Lee, president of New York-based Seven Bridges Advisors, said the drop in weekly jobless claims—the lowest number since March—clearly illustrated how the pandemic has moved the goal posts for what constitutes positive developments.

"We've not seen prior to this year weekly jobless numbers over about 700,000" since the 1980s, Mr. Lee said. "We've gotten used to numbers that are so large any improvement is seen as good news. But you still have a pretty meaningful contraction of GDP and a huge amount of joblessness."

Index performance, Thursday



Source: FactSet

The S&P 500 has risen over the last four trading sessions as investors bet that lawmakers will hammer out the terms of a new coronavirus-relief package. The White House on Wednesday moved to increase pressure on Democrats to get the deal done, saying they were prepared to walk away from negotiations and use executive actions by President Trump if an agreement isn't within reach by the end of the week. White House chief of staff Mark Meadows said Thursday Mr. Trump would take executive actions on jobless aid if talks didn't advance.

Despite lingering differences on the elements of a new relief package, many investors expect the government will come through with spending plans as economic data shows signs of a stalling recovery.

"The fact that the jobs market hasn't picked up so fast... means there is a greater chance of this fiscal stimulus getting passed," said Ipek Ozkardeskaya, senior analyst at Swissquote Bank. "Even if the economy goes well, investors will still be asking for the Federal Reserve and the government to have their hands on the market."

Gains by the Faang stocks—Facebook, **Apple**, **Amazon**, **Netflix** and Google parent **Alphabet**—helped with market gains Thursday. Facebook, whose Instagram on Wednesday debuted a short-video feature in the U.S., gained 6.5%. Apple rose 3.5%. Big tech companies have led gains for the index for much of the year.

The S&P's communication services sector led the index's gains, with **Walt Disney** up 2.5%. Daniel Loeb's Third Point LLC hedge fund on Thursday told clients it had taken a stake in Disney in the second quarter. The letter said Disney's selloff this year amid the pandemic overlooked that the virus could accelerate Disney's streaming plans—its "biggest market opportunity ever."

The index's health-care sector declined.

Lisa Wheatley, portfolio manager of NicHealth, the health-care strategy of Nicholas Investment Partners in the San Diego area, said an executive order on increased production of medical gear and supplies in the U.S. from President Trump expected to be signed Thursday could antagonize China as well as increase costs to U.S. consumers of generic drugs.

"This is early stage, but there's a little skittishness over whether this is the start of the traditional rhetoric over health care you expect in an election year," Ms. Wheatley said.

Among the day's big movers, shares in **Bristol-Myers Squibb** rose 2.7% after second-quarter profit beat consensus estimates. Shares in **GoDaddy** gained 6% after the web hosting and domain-name registration company reported fiscal second-quarter revenue that exceeded Wall Street estimates.

Gold gained 1% to $2,051.50 a troy ounce, putting its advance this year at 35% as the precious metal, considered a haven asset, continued to draw risk-averse investors.

The yield on the 10-year Treasury edged lower to 0.538% from 0.541% Wednesday. Yields fall when prices rise.

At midday Friday in Tokyo, the Nikkei 225 Stock Average was down 0.6%, Hong Kong's Hang Seng Index was down 1.6% and the Shanghai Composite was down 0.9%. U.S. stock futures were down 0.4%.

AUCTION RESULTS

Here are the results of Thursday's Treasury auctions. All bids are awarded at a single price at the market-clearing yield. Rates are determined by the difference between that price and the face value.

FOUR-WEEK BILLS

Applications	$115,850,545,000
Accepted bids	$32,979,741,000
" noncompetitively	$982,388,800
" foreign noncompetitively	$577,000,000
Auction price (rate)	99.993778 (0.080%)
Coupon equivalent	0.081%
Bids at clearing yield accepted	22.44%
Cusip number	9127963X5

The bills, dated Aug. 11, 2020, mature on Sept. 8, 2020.

EIGHT-WEEK BILLS

Applications	$104,186,515,500
Accepted bids	$38,476,491,300
" noncompetitively	$162,422,600
" foreign noncompetitively	$250,000,000
Auction price (rate)	99.984444 (0.100%)
Coupon equivalent	0.101%
Bids at clearing yield accepted	25.26%
Cusip number	9127964G1

The bills, dated Aug. 11, 2020, mature on Oct. 6, 2020.

Asia Has a Wild Technology Rally of Its Own

By Chong Koh Ping

This summer's big rally in technology stocks hasn't been limited to America. Shares of some Asian tech giants have also climbed to new heights, powering gains in major market indexes.

Chinese internet titans **Tencent Holdings** Ltd. and **Alibaba Group Holding** Ltd., which both hit record highs in July, are up 48% and 24% for the year, respectively. At the close of Hong Kong trading Thursday, Tencent's market capitalization was $687 billion and Alibaba's was $712 billion, in the neighborhood of **Facebook** Inc.'s $710 billion as of Wednesday's close in New York.

Samsung Electronics Co. and **Taiwan Semiconductor Manufacturing** Co. have also jumped in the past three months. They are a big reason why South Korea's Kospi index is back in positive territory this year and Taiwan's Taiex index is at a record high—the companies are big components of their market benchmarks.

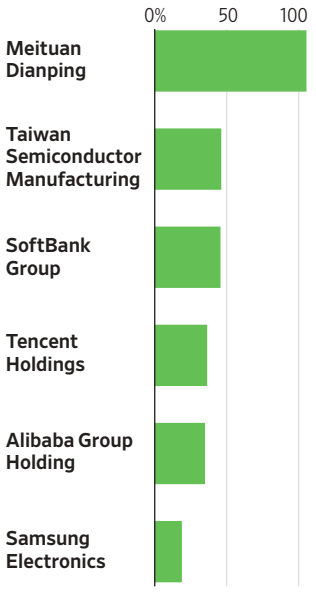
The run-ups have been fueled by strong profit or revenue growth during the coronavirus pandemic, which has kept many people at home, online—working, meeting, shopping and playing games. Analysts and investors say Asia's tech surge in has broadly tracked a run by major U.S. technology companies that have similarly benefited from pandemic-related business closures and lockdowns.

Some Asia tech companies are cheaper than their U.S. peers, they note, making them potentially more attractive. Alibaba has a forward price-to-earnings ratio of 27.7, for example, versus 85.4 for Amazon.com Inc., according to FactSet. Samsung's ratio is lower than Apple Inc.'s.

ALEX PLAVEVSKI/EPA/SHUTTERSTOCK

Alibaba hit a record high in July and is up 24% for the year.

Asian tech giants' stocks have made strong gains in the past three months.



Source: FactSet

"These companies are low-hanging fruits that (people) can easily invest in to play catch up, especially if they think they have missed the opportunities in the U.S. market," said Francis Tan, an investment strategist at UOB Private Bank in Singapore.

Manish Nigam, head of Asia Pacific technology research at Credit Suisse, said increasing trade and political tensions between the U.S. and China are both a risk and an opportunity for Asian tech companies.

The U.S. has restricted Chinese telecom giant Huawei Technologies Co. and blacklisted some of the country's other tech companies. "If the U.S.-China relationship continues to get uglier, then tech could get hurt," Mr. Nigam said.

But the rising tensions are also spurring Beijing's efforts to increase its domestic technological capabilities by doing more to support the growth and development of homegrown companies.

Since a market trough in March, a Dow Jones index of Asia Pacific technology stocks has climbed 58%, giving it a gain of about 23% for the year. Asia's most valuable tech stocks are also sizable components of the MSCI Emerging Markets index, which has gained over 40% since March, though it is slightly down for the year.

The share price of **Meituan Dianping**, a nearly five-year-old Chinese company whose internet services include food ordering and delivery, online vouchers and travel bookings, has more than doubled this year, raising its valuation to $165 billion—more than Grubhub Inc., Groupon Inc., Uber Technologies Inc. and Booking Holdings Inc. combined.

Even **SoftBank Group** Corp., coming off billions of dollars in write-offs on big investment misses like WeWork Inc., has been on a tear, gaining 144% from its March lows. The global tech rally is lifting the other big holdings of the Japanese conglomerate and global technology investor, such as Alibaba. SoftBank's share price recently hit a 20-year high, and the company is now buying back more than $20 billion of its own shares to boost it further.

Vikas Pershad, a portfolio manager at M&G Investments, said Asia's tech giants are clear leaders in their sectors—whether e-commerce, gaming or chip making—and have invested heavily in research and development in recent years. That positions them to expand regionally and take advantage of the strong demand for their products and services, he said.

"The unprecedented shocks to both demand and supply and the unprecedented stimulus is an opportunity especially for the tech sector," he said. "It will be very difficult for a new challenger to disrupt the incumbents."

Whether the companies' pandemic-related boost can be sustained longer-term depends on whether new online habits stick.

"Once people are comfortable with (online grocery shopping), they will probably do more," said Anupam Bose, a portfolio manager at Clough Capital in Boston who oversees a China-focused stock fund. The outlook for online entertainment is less clear, he added: People may not have as much time for it when they return to their workplaces and resume other routines.

Turkey's Currency Touches a Low Despite Support

By Caitlin Ostroff

The Turkish lira hit a record low against the dollar despite efforts by the country's central bank to curtail its fall.

It fell 2.7% Thursday, its biggest daily decline since March 2019, erasing 17.8% of its value for this year. At the end of the session, one dollar bought 7.2399 lira, beating out the previous record close of 7.1988 set on May 6.

CURRENCIES

Turkey has spent billions of dollars keeping the lira from falling after emerging-market currencies came under pressure in March, with investors pulling out of riskier markets as economies closed to contain the spread of coronavirus.

Some countries, including Brazil and Mexico, let their currencies weaken. But Turkey's central bank borrowed more foreign currency from domestic banks than it has in its coffers, selling that into the market and buying the lira. Goldman Sachs estimated the country had spent $65 billion this year managing its currency by the end of June. "Clearly, the foreign-exchange intervention has failed," said Timothy Ash, senior sovereign strategist covering emerging markets at BlueBay Asset Management.

Turkey has tried to avoid a weaker lira due to concerns that it will drive up the cost of imports and stoke inflation, which stood at 11.76% year-over-year in July.

Demand for imports has risen lately as President Recep Tayyip Erdoğan's administration sought to offer cheap credit to homes and businesses to restart the economic recovery. The increased demand for imports comes as the country is earning less dollars and euros because of waning tourism and a slump in exports. That has increased the funding gap between imports and exports, widening the current-account deficit and exacerbating the need for foreign currencies.

If the lira continues to drop, Turkey may be forced to raise interest rates again, Mr. Ash said.

He isn't alone in his projection. Analysts increasingly expect Turkey's central bank, which cut rates to 8.25% by May from 12% at the end of last year, will be forced to reverse course.

Goldman Sachs expects rates will be raised to 10% by the end of the year, and 14% by the end of 2021.

17.8%

Decline in the value of Turkish Lira so far this year

The central bank, which is due to hold its next monetary policy meeting Aug. 20, said Thursday it was closely monitoring price developments in the market and would use "all available instruments to reduce the excessive volatility." It added that it would phase out liquidity facilities introduced during the pandemic, amid indications the economic recovery was gaining pace.

Signaling a possible shift in policy, officials from the central bank and the Turkish banking watchdog held an hourslong meeting with top executives from the country's main banks late Thursday evening to discuss recent market developments, according to people familiar with the matter. No announcement was issued after the meeting.

Boosting interest rates may deter foreign investors from unloading Turkish assets. Bond yields that are lower than inflation, combined with Turkey's efforts to bolster its currency, have prompted foreign investors to withdraw more than $4 billion from Turkish equities since the start of the year. They have also pulled out $7 billion from lira-denominated bonds.

Investors' diminishing appetite sent the yield on a Turkish five-year dollar-denominated bond up to 7.01% by Wednesday, from about 4.71% when it was issued in February.

In an effort to stem the lira's slide, authorities have made it more difficult for domestic lenders to provide lira to foreign banks. Limiting access to the lira makes it harder for foreign investors to bet the currency will weaken.

That sent the interest rate linked to borrowing Turkish lira in exchange for dollars in offshore markets as high as 1,000% Tuesday in annualized terms, according to analysts and investors, in yet another sign of how the currency's market has become dysfunctional.

On Thursday, the banking regulator partially eased access to the lira for foreign banks, so long as transactions are to buy lira-denominated assets or deposit lira in local banks.

The reduced access to the lira could put Turkish assets under pressure in other parts of the market as well.

—David Gauthier-Villars contributed to this article.